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## LEGISLATIVE HISTORY

Public Law 89-388  
H. R. 6568

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## INDEX AND SUMMARY OF H. R. 6568

Mar. 22, 1965	Rep. Keogh introduced H. R. 6568 which was referred to House Ways and Means Committee. Print of bill as introduced.
Sept. 2, 1965	Committee voted to report H. R. 6568.
Sept. 14, 1965	Committee voted to report H. R. 6568.
Sept. 16, 1965	Committee reported H. R. 6568 with amendment. H. Report 1012. Print of bill and report.
Oct. 18, 1965	House passed H. R. 6568 under suspension of the rules.
Oct. 19, 1965	H. R. 6568 was referred to Senate Finance Committee. Print of bill as referred.
Feb. 16, 1966	Senate committee voted to report H. R. 6568.
Feb. 25, 1966	Senate committee reported H. R. 6568 with amendments. S. Report 1009. Print of bill and report.
Mar. 2, 1966	Senate passed H. R. 6568 with amendments.
Mar. 30, 1966	House agreed to Senate amendments to H. R. 6568.
Apr. 13, 1966	Approved: Public Law 89-388.



## DIGEST OF PUBLIC LAW 89-388

DUTY SUSPENSION ON COPRA, PALM NUTS, AND OILS. Amends the Tariff Act of 1930 to make permanent the duty-free treatment or lower rates of duty temporarily applicable to copra, palm nuts, and palm nut kernels, their oils, and specified fatty acids, salts, and other chemical products derived from the oils. Provides relief with respect to certain coconut oil imported on or before June 11, 1965, which was released from customs custody as being within the duty-free quota provided pursuant to the Philippine trade agreement.









89TH CONGRESS  
1ST SESSION

# H. R. 6568

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IN THE HOUSE OF REPRESENTATIVES

MARCH 22, 1965

Mr. KEOGH introduced the following bill; which was referred to the Committee on Ways and Means

---

## A BILL

To amend the Tariff Act of 1930 to provide for alteration of the duties on importation of copra, palm nuts and palm-nut kernels and the oils crushed therefrom.

1       *Be it enacted by the Senate and House of Representa-*  
2   *tives of the United States of America in Congress assembled,*  
3   That (a) title I of the Tariff Act of 1930 (Tariff Schedules  
4   of the United States; 28 F.R., part II, page 72, Aug. 17,  
5   1963; 77A Stat. 72; 19 U.S.C., sec. 1202) is amended by

- 1 striking out items 175.09 through 175.12, inclusive, and  
 2 inserting in lieu thereof the following:

“		Copra: Entered during the effective period of special proclama- tion issued pursuant to headnote 1 of this part, or entered after July 3, 1974---			
	175.09				
	175.10	Entered on or before July 3, 1974, when no such special proclamation is in effect----	Free	Free	
	175.11	If product of the Philip- pines or of the Trust Territory-----	1.25¢ per lb.	1.25¢ per lb.	
	175.12	If produced elsewhere than in the Philippines or the Trust Territory wholly of materials the growth or production thereof-----	Free	Free	”

- 3 (b) Schedule 1, part 14, subpart A of such title is  
 4 amended further by striking out items 175.27 and 175.30  
 5 and inserting in lieu thereof the following:

“	175.27	Palm-nut kernels and palm nuts----	Free	Free	”
---	--------	------------------------------------	------	------	---

- 6 (c) Schedule 1, part 14, subpart B of such title is  
 7 amended by striking out items 176.04 through 176.13, in-  
 8 clusive, and inserting in lieu thereof the following:

“		Coconut oil: Entered during the effective period of special proclama- tion issued pursuant to head- note 1 of this part, or entered after July 3, 1974.....			
	176.04		Free	2¢ per lb.	
		Entered on or before July 3, 1974, when no such special proclamation is in effect:			
	176.05	Crude .....	2¢ per lb.	4¢ per lb.	
	176.06	If product of the Philippines or of the Trust Territory.	Free		
	176.07	If produced elsewhere than in the Philip- pines or the Trust Territory wholly from materials the growth or produc- tion thereof.....	Free		
	176.08	Other than crude.....	Free	2¢ per lb.	”

(d) Schedule 1, part 14, subpart B of such title is amended further by striking out items 176.32 through 176.36, inclusive, and inserting in lieu thereof the following:

“ | 176. 32 | Palm oil and palm-kernel oil. . . . . | Free | Free | ”

(e) Schedule 1, part 14, headnote 1 of such title is amended by striking out “176.07 through 176.13” and inserting in lieu thereof “176.05 through 176.08”.

(f) Schedule 1, part 14, headnote 2 of such title is amended by striking out “(items 176.08, 176.09, 176.10, 176.12 and 176.13)” and inserting in lieu thereof “(items 176.06, 176.07 and 176.08)”; and is amended further by striking out, after the words “subject to” and before the word “duties”, the word “additional”.

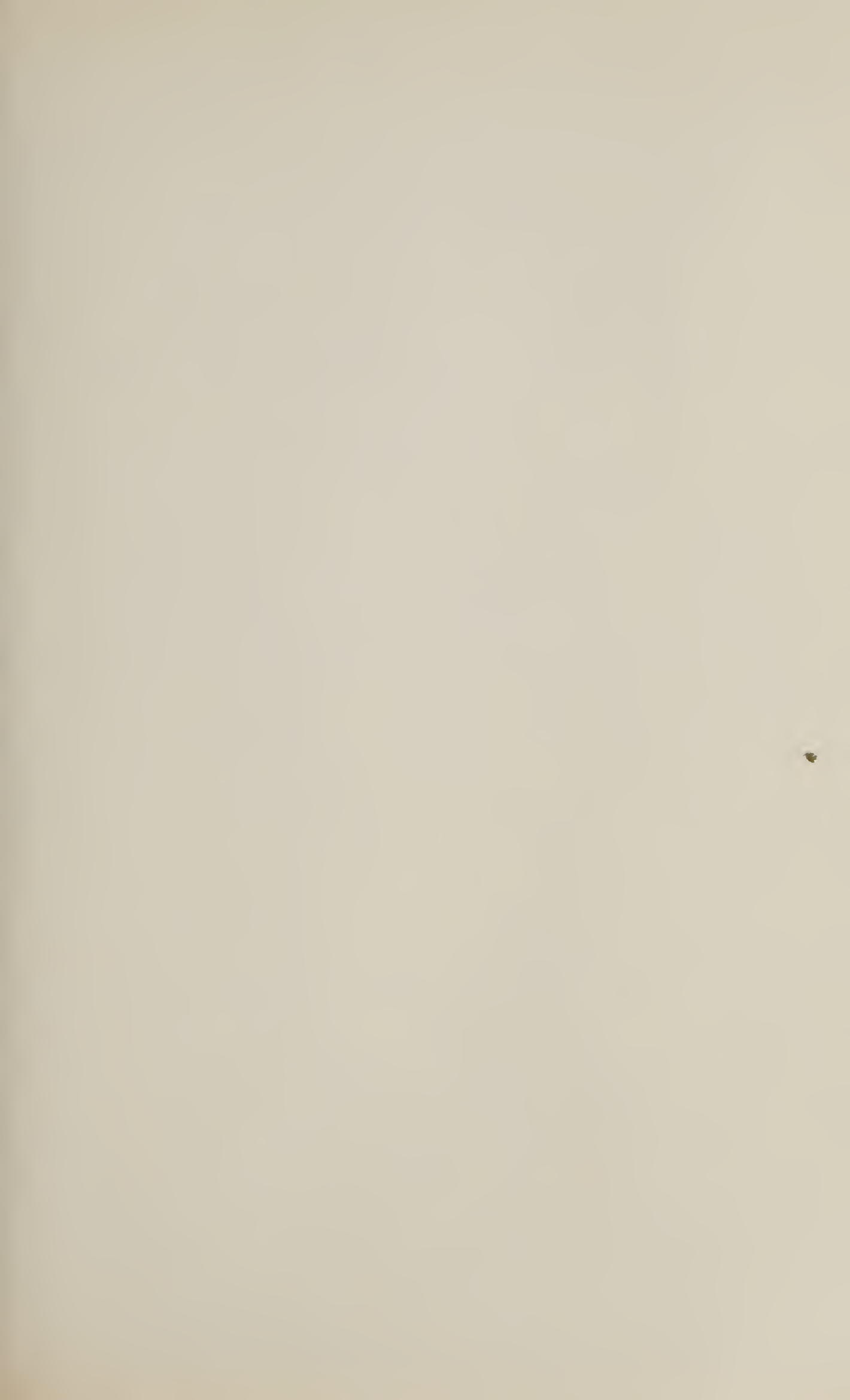
(g) Schedule 1, part 14 of such title is amended further by striking out headnote 3.

(h) Schedule 1, part 14, subpart B of such title is amended further by striking out headnote 2.

(i) The Appendix to such title, part 1, subpart B, is amended by striking out items 903.30 through 903.65, inclusive.

SEC. 2. The amendments made by the first section of this Act shall apply to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this Act. Upon request therefor filed with the

1 collector of customs concerned on or before the one hundred  
2 and twentieth day after the date of the enactment of this Act,  
3 entries and withdrawals of copra, palm nuts, palm-nut ker-  
4 nels, coconut oil, palm oil and palm-kernel oil made after  
5 August 30, 1963, and before the date of enactment of this  
6 Act which have not been liquidated or the liquidation of  
7 which has not become final on such date of enactment shall  
8 be liquidated or reliquidated as though such entries and with-  
9 draws had been made on the date of the enactment of this  
10 Act.



A BILL

To amend the Tariff Act of 1930 to provide for alteration of the duties on importation of copra, palm nuts and palm-nut kernels and the oils crushed therefrom.

By Mr. KEOGH

MARCH 22, 1965

Referred to the Committee on Ways and Means







July 13, 1965

25. WHEAT; FARM PROGRAM. Extension of remarks of Rep. Callan inserting Secretary Freeman's letter to the president of the First National Bank, N. Y., and stating that the letter "points out clearly that the proposed wheat program is in harmony with the goals of the Great Society." p. A3723
26. FARM LABOR. Extension of remarks of Rep. Roybal inserting an article concerned with the "highly successful" transition of Calif.'s agricultural industry from the use of foreign labor to an almost complete use of domestic workers this year. pp. A3728-9  
Extension of remarks of Rep. Talcott stating that most reports are unfavorable as to the success of the A-team agricultural workers and inserting an article on this subject. pp. A3731-2
27. LOBBYING. Extension of remarks of Rep. Bennett discussing provisions of his bill which would turn over the administration of the Lobbying Act to the Comptroller General. p. A3730
28. ELECTRIFICATION. Extension of remarks of Reps. Whitener and Dorn expressing hope that the FPC will reject the petition filed by Interior Dept. to intervene in the proposed Duke Power Co. project, and inserting an article, "Public Power Priority." pp. A3730-1, A3733

BILLS INTRODUCED

29. PERSONNEL. H. R. 9800 by Rep. Udall, to amend the Administrative Expenses Act of 1946, as amended, to provide for reimbursement of certain moving expenses of employees, and to authorize payment of expenses for storage of household goods and personal effects of employees assigned to isolated duty stations within the continental United States; to Government Operations Committee.
30. FATS AND OILS; IMPORTS. H. R. 9808 by Rep. Rhodes, Pa., to amend the Tariff Act of 1930 to provide for alteration of the duties on importation of copra, palm nuts and palm nut kernels, and the oils crushed therefrom; to Ways and Means Committee
31. FARM PROGRAM. H. R. 9811 by Rep. Cooley, to maintain farm income, to stabilize prices and assure adequate supplies of agricultural commodities, to reduce surpluses, lower Government costs and promote foreign trade, to afford greater economic opportunity in rural areas; to Agriculture Committee
32. SUGARBEETS. S. 2280 by Sen. McGovern, to provide for granting feed grain base acreage or wheat allotment to former sugarbeet producers; to Agriculture and Forestry Committee.
33. MINERALS. S. 2281 by Sen. Cannon, to amend section 3 of the Act of July 23, 1955 (69 Stat. 367, 368), and to authorize mining locations for certain mineral deposits; to Interior and Insular Affairs Committee. Remarks of author, pp. 16030-2
34. LANDS; SOIL CONSERVATION. S. 2282 by Sen. Nelson, to authorize the Secretary of the Interior to conduct a program of research, study, and surveys, documentation and description of the natural environmental systems of the United States for the purpose of understanding and evaluation the condition of these

13. FARM PROGRAM. The "Daily Digest" states that the Agriculture Committee "ordered a clean bill introduced in lieu of H. R. 7097," the farm bill. p. D642  
Rep. Hansen, Iowa, inserted an editorial regarding the "improvement in the economic situation of farmers" which he stated indicates "the reason why a strong farm program is imperative if we are to maintain our current farm economy" and the "importance of farm economy to the total economy of our Nation." p. 16001
14. MILITARY CONSTRUCTION. Conferees were appointed on H. R. 8439, the military construction bill, which includes an item for payment of CCC for certain family housing which was financed from the sale of surplus commodities (p. 15958). Senate conferees have already been appointed.
15. TRANSPORTATION. Conferees were appointed on H. R. 5401, to amend the Interstate Commerce Act so as to strengthen and improve the national transportation system (p. 15958). Senate conferees have not been appointed.
16. DISASTER RELIEF. The "Daily Digest" states that the Banking and Currency Committee voted to report (but did not actually report) S. 408, to authorize a study of methods of helping to provide financial assistance to victims of future flood disasters. p. D642
17. PERSONNEL. The "Daily Digest" states that the Rules Committee "granted an open rule on H. R. 8469," to increase annuities payable from the civil service retirement and disability fund. p. D643
18. FOREIGN AID. Rep. Duncan, Tenn., voiced "alarm" over continued aid to Egypt stating "it is not only food, but our country's prestige and security, that is being doled out to an unfriendly dictator." p. 15988
19. FARM LABOR. Rep. Teague, Calif., inserted a newsletter praising the Calif. farmers for paying the "highest farm wages in the Nation" and for "transporting workers from long distances, to meet this year's labor shortages." p. 15995
20. RECREATION. Rep. Helstoski commended House passage of the bill to authorize establishment of the Tocks Island National Recreation Area in Pa. and N. J. pp. 16000-1

#### ITEMS IN APPENDIX

21. OPINION POLL. Rep. Bandstra inserted the results of an opinion poll, including items of interest to this Department. pp. A3711-2
22. HOUSING. Extension of remarks of Rep. Duncan, Ore., favoring the bill which would authorize the Dept. of Housing and Urban Development, and inserting an article, "Hope for Cities." p. A3716
23. TREE FARMING. Extension of remarks of Rep. Saylor emphasizing the value of trees in checking erosion, and building up watersheds and inserting an article containing helpful suggestions for tree farmers. pp. A3717-8
24. FOREIGN AID. Rep. Bray inserted an article, "Foreign Aid Is an Iceberg", critical of the foreign aid program. p. A3718



89TH CONGRESS  
1ST SESSION

# H. R. 9808

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## IN THE HOUSE OF REPRESENTATIVES

JULY 13, 1965

Mr. RHODES of Pennsylvania introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Tariff Act of 1930 to provide for alteration of the duties on importation of copra, palm nuts and palm-nut kernels and the oils crushed therefrom.

1       *Be it enacted by the Senate and House of Representa-*  
2   *tives of the United States of America in Congress assembled,*  
3   That (a) title I of the Tariff Act of 1930 (Tariff Schedules  
4   of the United States; 28 F.R., part II, page 72, Aug. 17,  
5   1963; 77A Stat. 72; 19 U.S.C., sec. 1202) is amended by

- 1 striking out items 175.09 through 175.12, inclusive, and  
 2 inserting in lieu thereof the following:

“		Copra:			
175.09	Entered during the effective period of special proclamation issued pursuant to headnote 1 of this part, or entered after July 3, 1974----	Free		Free	
175.10	Entered on or before July 3, 1974, when no such special proclamation is in effect-----	1.25¢ per lb.		1.25¢ per lb.	
175.11	If product of the Philippines or of the Trust Territory-----	Free			
175.12	If produced elsewhere than in the Philippines or the Trust Territory wholly of materials the growth or production thereof-----	Free		Free	”

- 3 (b) Schedule 1, part 14, subpart A of such title is  
 4 amended further by striking out items 175.27 and 175.30  
 5 and inserting in lieu thereof the following:

“	175.27	Palm-nut kernels and palm nuts----	Free	Free	”
---	--------	------------------------------------	------	------	---

- 6 (c) Schedule 1, part 14, subpart B of such title is  
 7 amended by striking out items 176.04 through 176.13, in-  
 8 clusive, and inserting in lieu thereof the following:

“		Coconut oil:			
176.04	Entered during the effective period of special proclamation issued pursuant to headnote 1 of this part, or entered after July 3, 1974.....	Free		2¢ per lb.	
	Entered on or before July 3, 1974, when no such special proclamation is in effect:				
176.05	Crude.....	2¢ per lb.		4¢ per lb.	
176.06	If product of the Philippines or of the Trust Territory.	Free			
176.07	If produced elsewhere than in the Philippines or the Trust Territory wholly from materials the growth or production thereof.....	Free			
176.08	Other than crude.....	Free		2¢ per lb.	”

(d) Schedule 1, part 14, subpart B of such title is amended further by striking out items 176.32 through 176.36, inclusive, and inserting in lieu thereof the following:

“ | 176. 32 | Palm oil and palm-kernel oil . . . . . | Free | Free | ”

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(f) Schedule 1, part 14, headnote 2 of such title is amended by striking out “(items 176.08, 176.09, 176.10, 176.12 and 176.13)” and inserting in lieu thereof “(items 176.06, 176.07 and 176.08)”; and is amended further by striking out, after the words “subject to” and before the word “duties”, the word “additional”.

(g) Schedule 1, part 14 of such title is amended further by striking out headnote 3.

(h) Schedule 1, part 14, subpart B of such title is amended further by striking out headnote 2.

(i) The Appendix to such title, part 1, subpart B, is amended by striking out items 903.30 through 903.65, inclusive.

SEC. 2. The amendments made by the first section of this Act shall apply to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this Act. Upon request therefor filed with the

1 collector of customs concerned on or before the one hundred  
2 and twentieth day after the date of the enactment of this Act,  
3 entries and withdrawals of copra, palm nuts, palm-nut ker-  
4 nels, coconut oil, palm oil and palm-kernel oil made after  
5 August 30, 1963, and before the date of enactment of this  
6 Act which have not been liquidated or the liquidation of  
7 which has not become final on such date of enactment shall  
8 be liquidated or reliquidated as though such entries and with-  
9 draws had been made on the date of the enactment of this  
10 Act.





89<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

**H. R. 9808**

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# **A BILL**

To amend the Tariff Act of 1930 to provide for alteration of the duties on importation of copra, palm nuts and palm-nut kernels and the oils crushed therefrom.

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By Mr. RHODES of Pennsylvania

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JULY 13, 1965

Referred to the Committee on Ways and Means





# DIGEST of Congressional Proceedings

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE  
WASHINGTON, D. C. 20250  
OFFICIAL BUSINESS

POSTAGE AND FEES PAID  
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
FOR INFORMATION ONLY;  
(NOT TO BE QUOTED OR CITED)

Issued Sept. 3, 1965  
For actions of Sept. 2, 1965  
89th-1st; No. 162

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HIGHLIGHTS: Senate committee voted to report farm bill. Senate passed higher education bill. House committee reported foreign aid appropriation bill. Rep. Bolton expressed concern over "rising" food prices. Rep. Findley inserted article suggesting guidelines for allocation of foreign sugar quotas. Rep. Findley criticized cotton program.

### HOUSE

1. APPROPRIATIONS. The Appropriations Committee reported H. R. 10871, making appropriations for foreign assistance and related agencies for fiscal year 1966 (H. Rept. 955). p. 22042
2. TRANSPORTATION. Passed with amendment S. 1588, to authorize the Secretary of Commerce to undertake research and development in high-speed ground transportation, after substituting the language of a similar bill, H. R. 5863, which was passed earlier as reported. H. R. 5863 was tabled. pp. 21952-70



3. DATA PROCESSING. Passed with amendments H. R. 4845, to provide for the economic and efficient purchase, lease, maintenance, operation, and utilization of automatic data processing equipment by Federal departments and agencies (pp. 21971-72, 21990-95). Rejected an amendment by Rep. Olsen, Mont., providing for use of the automatic data processing fund for purposes of establishing and operating equipment pools and data processing centers (p. 21995). This bill includes provisions as follows: Authorizes GSA to coordinate and provide for the purchase, lease, and maintenance of automatic data processing equipment to meet the requirements of Federal agencies. Authorizes GSA to provide automatic data processing equipment through purchase, lease, or transfer of equipment between Federal agencies, to provide for joint use of equipment by two or more agencies, and to establish and operate equipment pools and data processing centers on a Government-wide basis. Allows GSA to delegate authority to Federal agencies to lease, purchase, and maintain individual systems or specific units of equipment when necessary for economy and efficiency of operations or essential to national defense or security. Authorizes the establishment of an automatic data processing fund to be used to finance expenses incident to the Government-wide data processing program, including expenses incurred for personal services, purchases, rentals, maintenance and repair, and direct operation costs of ADP service centers, as well as other related costs. Provides that user agencies will reimburse GSA for the use of equipment on an annual or other periodic basis for regular, recurring services, and for specific intermittent services. Authorizes the Department of Commerce to provide scientific and technological advisory services relating to ADP to agencies and to GSA, to make recommendations to the President relating to the establishment of uniform Federal ADP standards, and to undertake research in the sciences and technologies of automatic data processing systems.
4. TRADE FAIRS. A subcommittee of the Foreign Affairs Committee voted to report to the full committee H. R. 9240, with amendment, to provide for the participation of the U.S. in the Inter-American Cultural and Trade Center in Dade County, Fla.; and H. R. 9247, to provide for the participation of the U.S. in the HemisFair 1968 exposition, San Antonio, Tex. p. D880
5. NATIONAL PARKS. A subcommittee of the Interior and Insular Affairs Committee voted to report to the full committee H. R. 9417, to revise the boundary of Jewel Cave National Monument in S. Dak. p. D880
6. TARIFF. The Ways and Means Committee voted to report (but did not actually report) with amendment H. R. 6568, to amend the Tariff Act of 1930 to provide for alteration of the duties on importation of copra, palm nuts, and palm-nut kernels and the oils crushed therefrom. p. D881
7. FOOD PRICES. Rep. Bolton stated that she was "wondering why food prices have to go up" when there is a "continuing increase of prosperity." p. 22005
8. FOREIGN TRADE. Rep. Lipscomb stressed the need for the reestablishment of a House Select Committee on Export Control to study the "controls on the flow of equipment, goods, and technical data to the Red bloc", mentioning the proposed sale of wheat to Russia. pp. 22005-9
9. VETERANS' AFFAIRS. Rep. Gonzalez inserted the testimony of Rep. Pepper in support of the cold war GI bill. pp. 22035-7
10. FOREIGN AID. Rep. Scheuer inserted two articles commending the President's speech on the occasion of the fourth anniversary of the Alliance for Progress. pp. 22039-40

Prior to the executive session the subcommittee, in an open session, held a hearing on H.R. 9417, to revise the boundary of Jewel Cave National Monument in South Dakota, with testimony from Representative Barry, and Park Service officials; H.R. 8035, to authorize the Secretary of the Interior to accept a donation of property in the county of Suffolk, N.Y., known as the William Floyd estate, for addition to the Fire Island National Seashore, with testimony from Representative Pike, and Park Service officials; and H.R. 7919, to provide for the establishment of the Roger Williams National Memorial in the city of Providence, R.I., with testimony from Representative St Germain.

#### PUBLIC HEALTH SERVICE ACT

*Committee on Interstate and Foreign Commerce:* Met in executive session and ordered reported favorably to the House H.R. 3140, to amend the Public Health Service Act to assist in combating heart disease, cancer, strike, and other major diseases.

#### IMMIGRATION BILLS

*Committee on the Judiciary:* Subcommittee No. 1 took testimony and acted on several private immigration bills.

#### COPYRIGHT REVISION

*Committee on the Judiciary:* Subcommittee No. 3 concluded hearings on H.R. 4347, and related bills, on copyright revision. Testimony was heard from Representative Celler and Abraham L. Kaminstein, Register of Copyrights.

#### JUDGESHIP

*Committee on the Judiciary:* Subcommittee No. 5 held a hearing on omnibus judgeship bills. Testimony was heard from Chief Judge Richard H. Chambers, U.S. Court of Appeals, Ninth Circuit.

#### COLD WAR GI BILL

*Committee on Veterans' Affairs:* Continued hearings on S. 9, and related bills, the Cold War GI bill. Testimony was heard from Representative Pepper, veterans' organizations, and public witnesses.

#### TARIFFS

*Committee on Ways and Means:* Met in executive session and ordered reported favorably to the House the following bills:

H.R. 6568 (amended), to amend the Tariff Act of 1930 to provide for alteration of the duties on importation of copra, palm nuts, and palm-nut kernels and the oils crushed therefrom;

H.R. 7668, to provide for the free entry of one automatic steady state distribution machine for the use of the University of Oklahoma, Norman, Okla.;

H.R. 9351, to provide for the free entry of one shadow master measuring projector for the use of the University of South Dakota;

H.R. 9588, to provide for the free entry of an electrically driven rotating chair for the use of the Louisiana State University Medical Center, New Orleans, La.; and

H.R. 9587, to provide for the free entry of a Craig countercurrent distribution apparatus for the use of Colorado State University, Fort Collins, Colo.

Adjourned subject to call of the Chair.

### Joint Committee Meetings

#### NUCLEAR WEAPONS

*Joint Committee on Atomic Energy:* Subcommittee on Military Applications and the Preparedness Subcommittee of the Committee on Armed Services met jointly in executive session to hear Adrian Fisher, Deputy Director of the Arms Control and Disarmament Agency, testify with regard to the negotiations at Geneva on a proposed treaty relating to nonproliferation of nuclear weapons.

#### APPROPRIATIONS—MILITARY CONSTRUCTION

*Conferees* met in executive session to consider H.R. 10323, fiscal 1966 appropriations for military construction, but did not conclude action thereon, and recessed subject to call.

### BILLS SIGNED BY THE PRESIDENT

#### New Laws

(For last listing of public laws, see DIGEST, p. D874, September 1, 1965)

H.J. Res. 639, making continuing appropriations for fiscal year 1966 through September 30, 1965. Signed September 1, 1965 (P.L. 89-159).

H.R. 5519, to authorize language training for dependents of members of the Armed Forces overseas. Signed September 1, 1965 (P.L. 89-160).

H.R. 485, authorizing construction of the Auburn-Folsom south unit, Central Valley project, California. Signed September 2, 1965 (P.L. 89-161).

### COMMITTEE MEETINGS FOR FRIDAY, SEPTEMBER 3

(All meetings are open unless otherwise designated)

#### Senate

*Committee on Public Works,* Subcommittee on Public Roads, executive, on S. 2084, highway beautification, 9:30 a.m., 4200 New Senate Office Building.



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*Next meeting of the SENATE*

9:00 a.m., Friday, September 3

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*Next meeting of the HOUSE OF REPRESENTATIVES*

12:00 noon, Friday, September 3

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#### House

*Committee on Interior and Insular Affairs*, Subcommittee on National Parks and Recreation, on H.R. 7919, to provide for the establishment of the Roger Williams National Memorial in the city of Providence, R.I.; and H.R. 6515, to supplement the act

of October 6, 1964, establishing the Lewis and Clark Trail Commission, 9:45 a.m., 1324 Longworth House Office Building.

*Committee on Public Works*, Subcommittee on Roads, hearing on highway beautification legislation, 10 a.m., 2167 Rayburn House Office Building.



## Congressional Record

appropriate provisions of Title 44, United States Code, and published for each day that one or both Houses are in session, excepting very infrequent instances when two or more unusually small consecutive issues are printed at one time. ¶ The Congressional Record will be furnished by mail to subscribers, free of postage, for \$1.50 per month, payable in advance. Remit check or money order, made payable to the Superintendent of Documents, directly to the Government Printing Office, Washington, D.C., 20402. For subscription purposes, 20 daily issues constitute a month. The charge for individual copies varies in proportion to the size of the issue. ¶ Following each session of Congress, the daily Congressional Record is revised, printed, permanently bound and is sold by the Superintendent of Documents in individual parts or by sets. ¶ With the exception of copyrighted articles, there are no restrictions on the republication of material from the Congressional Record.

The public proceedings of each House of Congress, as reported by the Official Reporters thereof, are printed pursuant to directions of the Joint Committee on Printing as authorized by







Sept. 14, 1965

- found unsound governmentally," and inserted an article, "The Extraordinary Powers of the Bureau of the Budget." pp. 22965-8
7. MINERALS. Received from the President the semi-annual report of the Office of Minerals Exploration, Geological Survey. p. 22863
8. ACCOUNTING; BONDING. Received from Treasury the annual report on operations in connection with the bonding of Federal employees. p. 22936

HOUSE

9. POVERTY. Received the conference report on H. R. 8283, to expand the war on poverty and enhance the effectiveness of programs under the Economic Opportunity Act of 1964 (H. Rept. 1001)(pp. 22803-6). The bill amends title III (Special Programs to Combat Poverty in Rural Areas) of the Economic Opportunity Act so as to make clear that prohibition against loans to cooperatives organized for manufacturing purposes does not prevent loans to cooperatives processing dairy products or similar edible farm products; to clarify the authority granted with respect to the types and scope of assistance and the institutions through which assistance may be extended to migrant workers and their families; and to authorize the appropriation of \$55 million for fiscal year 1966 for carrying out the purposes of title III. Also, the bill extends until June 30, 1966, the authority of the Secretary of Agriculture to make indemnity payments to dairy farmers who have been directed since Jan. 1, 1964, to remove their milk from commercial markets because it contained residues of chemicals registered and approved for use by the Government at the time of use.
10. LOANS. The Rules Committee reported a resolution for the consideration of H. R. 10232, the FHA loan expansion bill. See Digest 161 for a summary of this bill. pp. 22780-81
11. LANDS. The Interior and Insular Affairs Committee reported without amendment S. 1190, to provide that certain limitations shall not apply to certain land patented to the State of Alaska for the use and benefit of the University of Alaska (H. Rept. 984). p. 22861
12. BUILDINGS. The Government Operations Committee reported with amendment S. 1516, to authorize GSA to enter into contracts for the inspection, maintenance, and repair of fixed equipment in federally owned buildings (H. Rept. 993). p. 22861
13. TRANSPORTATION. Conferees were appointed on S. 1588, to authorize the Secretary of Commerce to undertake research and development in high-speed ground transportation (pp. 22777-78). Senate conferees have already been appointed.
14. TARIFF. The Ways and Means Committee voted to report (but did not actually report) with amendment H. R. 6568, to amend the Tariff Act of 1930 to provide for alteration of the duties on importation of copra, palm nuts and palm nut kernels and the oils crushed therefrom. p. D919
15. DISASTER RELIEF. Several Representatives discussed the damage caused by hurricane Betsy in Louisiana and urged legislation for additional disaster relief. pp. 22811-12, 22812-13, 22844, 22847, 22852

16. PUBLIC WORKS; ECONOMIC DEVELOPMENT. Rep. Patman commended and inserted excerpts from the President's speech on the occasion of the signing of the Public Works and Economic Development Act. pp. 22812-19
17. ELECTRIFICATION. Rep. Schmidhauser inserted a speech by Vice President Humphrey commending the cooperative rural electrification program. pp. 22841-42
18. WATER POLLUTION. The "Daily Digest" states that the conferees "agreed to file a conference report on...S.4, establishing a national program for the control and abatement of water pollution." p. D919
19. PEANUTS. Rep. Abbitt stated that the "peanut industry is one of the most important segments of industry in my area of Virginia," and inserted a speech of the president of the Association of Virginia Peanut and Hog Growers, Inc. pp. 22848-49
20. INSECTICIDES; FISHERIES. The Merchant Marine and Fisheries Committee reported without amendment S. 1623, to authorize a continuing study by Interior of the effects of insecticides, herbicides, fungicides, and other pesticides upon fish and wildlife for the purpose of preventing losses to this resource (H. Rept. 1002). p. 22861
21. WATERSHEDS. The Public Works Committee approved plans for works of improvement on the following watershed projects: Cooper Creek, Ark.; Limestone Stream, Maine; Long Creek, Miss.; Tuscumbia River, Miss. and Tenn.; Grindstone-Lost-Muddy Creek, Mo.; Stewarts Creek-Lovills Creek, N. C. and Va.; Upper Elk Creek, Okla.; Ferron, Utah, Choccolocco Creek, Als.; Little Clear Creek, Ark.; Grove River and South Fork Broad River, Ga.; SuAsCo supplement, Mass.; Busseron supplement, Ind.; Upper Choptank River, Del. and Md.; Little Raccoon Creek, Ind. Timber Creek, Kans.; Tamarac River, Minn.; Quapaw Creek, Okla.; Buck Creek, Tex.; Cherrystone, Va.; and Rock Creek, Okla. pp. 22797-98

#### ITEMS IN APPENDIX

22. OPINION POLL. Rep. Brock inserted the results of his 1965 legislative questionnaire, including items of interest to this Department. p. A5151
23. INFORMATION. Extension of remarks of Rep. Younger expressing concern over information "processes" used by the administration, and inserting several articles on the number of press releases issued by the White House, one of which made reference to this Department. p. A5152
24. POVERTY. Reps. Edwards, Ala., Gubser, and Quie inserted articles critical of the poverty program. pp. A5157, A5171, A5181
25. PERSONNEL; PAY. Extension of remarks of Sen. Randolph stating that "It is mandatory that we arrive at an equitable level of compensation for our dedicated Federal employees." pp. A5159-62
26. WATER. Extension of remarks of Rep. Bandstna urging passage of the bill to provide loans for the development of rural water systems and inserting an article, "Water: Rural America's Greatest Need." pp. A5165-6  
Extension of remarks of Reps. Brock urging greater utilization of our water resources and inserting articles, "Water: A Dwindling Reserve", and "100 Billion for Fresh Water?" pp. A5174-7



## PUBLIC HEALTH SERVICE ACT

*Committee on Interstate and Foreign Commerce:* Concluded hearings on H.R. 3142 and H.R. 6001, to amend the Public Health Service Act to provide for a program of grants to assist in meeting the need for adequate medical library services and facilities. Testimony was heard from Representative Fogarty; Luther Terry, the Surgeon General; Dr. E. W. Dempsey, Special Assistant to the Secretary, HEW; and public witnesses.

## INTERSTATE AFFAIRS

*Committee on Interstate and Foreign Commerce:* Concluded hearings on S. 903, regarding painting and marking of abandoned radio towers; S. 1554, designation of person to receive official Federal Communication Commission notices; S. 1948, to amend the Communications Act of 1934 regarding conflict of interest; and H.R. 7169, to amend the Securities Act of 1933 with respect to certain registration fees. Testimony was heard from William Henry, Chairman, FCC; Manuel Cohen, Chairman, SEC; and public witnesses.

## JUDGESHIPS

*Committee on the Judiciary:* Subcommittee No. 5 continued hearings on omnibus judgeship bills. Testimony was heard from Representatives Zablocki, Reuss, Downing, Hardy, and Stafford.

## ALASKA STATEWIDE EXPOSITION

*Committee on Public Works:* Ad Hoc Subcommittee on H.R. 9963 held a hearing on H.R. 9963, to promote the economic development of the State of Alaska by providing for U.S. participation in the statewide exposition to be held in Alaska during 1967. Testimony was heard from public witnesses.

## PENDING BUSINESS

*Committee on Public Works:* Subcommittee on Roads met in executive session on pending business. No announcements were made.

## ARMED FORCES LIFE INSURANCE

*Committee on Veterans' Affairs:* Subcommittee on Insurance met in executive session and approved for full committee action H.R. 10873 (amended), to amend title 38 of the U.S. Code to establish a program of group life insurance which shall be provided by private insurance companies for members of the uniformed services who are on active duty.

## DUTY-FREE SPECTROMETERS

*Committee on Ways and Means:* Met in executive session and ordered reported favorably to the House the following bills:

~~H.R. 1317, to provide for the free entry of a mass spectrometer which was imported during May 1963 for the use of Stanford University, Stanford, Calif.;~~

~~H.R. 1386, to provide for the free entry of one mass spectrometer for the use of Pomona College;~~

~~H.R. 2565, to provide for the free entry of one mass spectrometer for the use of the University of Chicago;~~

~~H.R. 3126, to provide for the free entry of one mass spectrometer for the University of Washington;~~

~~H.R. 4832, to provide for the free entry of a mass spectrometer for the use of St. Louis University;~~

~~H.R. 6666, to provide for the free entry of 90 centimeter split pole magnetic spectrograph system with orange-peel internal conversion spectrometer attached for the use of the University of Pittsburgh;~~

~~H.R. 6906, to provide for the free entry of one mass spectrometer and one split pole spectrograph for the use of the University of Rochester, Rochester, N.Y.;~~

~~H.R. 8232, to provide for the free entry of one mass spectrometer-gas chromatograph for the use of Oklahoma State University, Stillwater, Okla.;~~

~~H.R. 8272, to provide for the free entry of an isotope separator for the use of Princeton University, Princeton, N.J.;~~

~~H.R. 9903, to provide for the free entry of one multi-gap magnetic spectrograph for the use of Yale University;~~

~~H.R. 8436 (amended), to amend the Tariff Schedules of the U.S. with respect to the dutiable status of watches, clocks, and timing apparatus from insular possessions of the U.S.; and~~

~~H.R. 6568 (amended), to amend the Tariff Act of 1930 to provide for alteration of the duties on importation of copra, palm nuts and palm kernels, and the oils crushed therefrom.~~

## Joint Committee Meetings

## VESSEL EXCHANGE

*Conferees* met in executive session to resolve the differences between the Senate- and House-passed versions of H.R. 728, to amend and extend those provisions of the Merchant Marine Act dealing with the exchange of war-built vessels, but did not reach final agreement thereon, and will meet again tomorrow.

## WATER POLLUTION CONTROL

*Conferees*, in executive session, agreed to file a conference report on the differences between the Senate- and House-passed versions of S. 4, establishing a national program for the control and abatement of water pollution.

## BILL SIGNED BY THE PRESIDENT

## New Law

(For last listing of public laws, see DIGEST, p. D913, September 13, 1965)

S. 949, State Technical Services Act of 1965. Signed September 14, 1965 (P.L. 89-182).



Next meeting of the SENATE  
12:00 noon, Wednesday, September 15

### COMMITTEE MEETINGS FOR WEDNESDAY, SEPTEMBER 15

(All meetings are open unless otherwise designated)

#### Senate

*Committee on Commerce*, to resume hearings on the administration of Public Law 88-108, re railroad work rules dispute, 10 a.m., 5110 New Senate Office Building.

*Committee on Finance*, on H.R. 9042, implementing agreement between the U.S. and Canada relating to trade in automotive products, 10 a.m., 2221 New Senate Office Building.

*Committee on Government Operations*, Subcommittee on Foreign Aid Expenditures, to resume hearings on S. 1676, re population control, 10 a.m., 3302 New Senate Office Building.

*Committee on Interior and Insular Affairs*, executive, on S. 1446, wild rivers bill, 10 a.m., 3112 New Senate Office Building.

*Committee on the Judiciary*, full committee, executive, on committee business, 10:30 a.m., 2300 New Senate Office Building.

Antitrust and Monopoly Subcommittee, on pending dual distribution bills (S. 1842, 1843, and 1844), 10 a.m., 1318 New Senate Office Building.

*Committee on Labor and Public Welfare*, Employment and Manpower Subcommittee, to continue hearings on employer encouragement for on-the-job training, 10 a.m., 4232 New Senate Office Building.

#### House

*Committee on Appropriations*, Subcommittee on Labor-HEW, executive, on pending business, 10 a.m., H-164 U.S. Capitol Building.

*Committee on Armed Services*, Subcommittee No. 3, on H.R. 3046, regarding disposal of telephone facilities, 10 a.m., 2212 Rayburn House Office Building.

*Committee on Banking and Currency*, Subcommittee on Domestic Finance, to continue hearings on S. 1698, and related bills, to exempt bank mergers approved under the Bank Merger

Next meeting of the HOUSE OF REPRESENTATIVES  
12:00 noon, Wednesday, September 15

Act from operation of the antitrust laws, 10 a.m., 2128 Rayburn House Office Building.

*Committee on Education and Labor*, Select Subcommittee on Labor, to continue on H.R. 10721, to amend the Federal Employees Compensation Act, 10 a.m., 2261 Rayburn House Office Building.

Full committee, executive, on pending legislation, 11 a.m., 2175 Rayburn House Office Building.

*Committee on Foreign Affairs*, Subcommittee on Inter-American Affairs, on H.R. 10779, authorizing a toll bridge across the Rio Grande near Pharr, Tex., 10:30 a.m., 2255 Rayburn House Office Building.

*Committee on House Administration*, executive, on the Mississippi Contested Election Cases, 1:30 p.m., H-329 U.S. Capitol Building.

*Committee on Interior and Insular Affairs*, on H.R. 2020, regarding the Southern Nevada water project; and H.R. 9334, regarding conveyance of certain real property of the U.S. to the State of Maryland, 9:45 a.m., 1324 Longworth House Office Building.

*Committee on the Judiciary*, Subcommittee No. 2, executive, on pending business, 10 a.m., 2237 Rayburn House Office Building.

*Committee on Post Office and Civil Service*, Subcommittee on Retirement, executive, on H.R. 5147, regarding health benefit plans, 9:30 a.m., 215 Cannon House Office Building.

*Committee on Public Works*, Subcommittee on Roads, executive, on pending legislation, 10 a.m., 2167 Rayburn House Office Building.

*Committee on Veterans' Affairs*, executive, on pending legislation, to be followed by an open hearing on the Cold War GI bill, 10 a.m., 356 Cannon House Office Building.

#### Joint Committee

*Conferees*, executive, on S. 1588, to provide research and development into high-speed ground transportation, 2:30 p.m., room EF-100, Capitol.



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# DIGEST of Congressional Proceedings

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE  
WASHINGTON, D. C. 20250  
OFFICIAL BUSINESS

POSTAGE AND FEES PAID  
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(FOR INFORMATION ONLY;  
NOT TO BE QUOTED OR CITED)

Issued Sept. 17, 1965  
For actions of Sept. 16, 1965  
89th-1st; No. 171

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HIGHLIGHTS: House committee voted to report sugar bill. Rep. Talcott criticized Labor Dept's farm labor policies. Rep. Todd inserted article re problem of food relationship to enlarging populations. Rep. Chamberlain inserted article favoring 50-50 shipping provision on wheat shipments to Russia.

### HOUSE

1. SUGAR. The Agriculture Committee voted to report (but did not actually report) with amendment H. R. 10496, to amend and extend the Sugar Act of 1948.  
p. D930
2. FOREIGN TRADE. Agreed to the conference report on H. R. 7969, to correct certain errors in the U. S. Tariff Schedules (pp. 23180-4). The bill includes a provision for duty-free treatment for machines with photoelectric sensing

devices for the sorting, on the basis of color only, of beans, peas, nuts, or similar agricultural products.

Agreed to the conference report on H. R. 5768, to extend for an additional three years, until Nov. 7, 1968, the existing suspension of duties on certain classifications of silk yarn, and to provide for a study of the feasibility of separate classifications for yarns of man-made fibers commonly referred to as textured or texturized yarns. p. 23180

The Ways and Means Committee reported with amendment H. R. 6568, to amend the Tariff Act so as to provide for alteration of the duties on the importation of copra, palm nuts, and palm nut kernels, and the oils therefrom (H. Rept. 1012). p. 23210

3. TRANSPORTATION. Received the conference report on S. 1588, to authorize the Secretary of Commerce to undertake research and development in high-speed ground transportation (H. Rept. 1017). pp. 23187-9
4. AIR POLLUTION. The Rules Committee reported a resolution for consideration of S. 306, to amend the Clean Air Act and to provide for the establishment of a Federal Air Pollution Control Laboratory. p. 23211
5. MILITARY CONSTRUCTION APPROPRIATION BILL. Received the conference report on this bill, H. R. 10323, which includes funds to repay CCC for certain family housing projects financed from foreign currencies (H. Rept. 1018). pp. 23199-200
6. RECLAMATION. The Interior and Insular Affairs Committee reported with amendment H. R. 2020, to authorize construction of the southern Nevada water project (H. Rept. 1011). p. 23210
7. PUBLIC WORKS. The Rules Committee reported a resolution for consideration of S. 2300, to authorize the construction, repair, and preservation of certain public works for rivers and harbors for navigation and flood control. p. 23211
8. ROADS. A subcommittee of the Public Works Committee voted to report to the full committee with amendments H. R. 11050, to provide for scenic development and road beautification of the Federal-aid highway system. p. D931
9. FORESTRY. The "Daily Digest" states that the Merchant Marine and Fisheries Committee voted to report (but did not actually report) "H. R. 10198 (subcommittee discharged), to amend the requirements relating to lumber under the Shipping Act of 1916." pp. D930-1
10. PERSONNEL. The Post Office and Civil Service Committee voted to report (but did not actually report) H. R. 969, to authorize redetermination under the Civil Service Retirement Act of annuities of certain reemployed annuitants, and H. J. Res. 569, to require a cost-of-living survey to be made before the cost-of-living allowance for Federal employees in Puerto Rico and the Virgin Islands be reduced. p. D931  
Rep. Nelson stated that "the principle of a nonpartisan, politically insulated Federal employee system must be retained" in D. C. if it is granted home rule. pp. 23193-4
11. FOREIGN AID. Rep. Saylor urged a reexamination of the foreign aid program to determine if it "should not be terminated once and for all after the current fiscal year." pp. 23195-6

## TARIFF TREATMENT OF COPRA, PALMNUTS, AND PALM-NUT KERNELS, AND THE OILS CRUSHED THEREFROM

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SEPTEMBER 16, 1965.—Committed to the Committee of the Whole House on the State of the Union and ordered to be printed

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Mr. KEOGH, from the Committee on Ways and Means, submitted the following

### R E P O R T

[To accompany H.R. 6568]

The Committee on Ways and Means, to whom was referred the bill (H.R. 6568) to amend the Tariff Act of 1930 to provide for alteration of the duties on importation of copra, palmnuts, and palmnut kernels and the oils crushed therefrom, having considered the same, report favorably thereon with amendments and recommend that the bill as amended do pass.

The amendments are as follows:

The amendment to the text strikes out all after the enacting clause and inserts a substitute which appears in the reported bill in italic type.

The other amendment modifies the title of the bill to make it conform to the changes made by the amendment to the text.

### PURPOSES

The purposes of H.R. 6568, as reported by your committee, are to amend the Tariff Schedules of the United States (TSUS) so as to—

(1) in the case of copra not the product of the Philippines or the Trust Territory of the Pacific Islands, reduce the duty from 3.12 cents per pound to 1.25 cents per pound, except that there will be no duty on such copra for any period in which there is in effect a Presidential proclamation that adequate supplies of neither copra nor coconut oil, the product of the Philippines, is readily available for processing in the United States;

(2) repeal the duties on palmnut kernels (TSUS item 175.27) and palmnuts (TSUS item 175.30);



(3) repeal that portion of the duties on products derived from coconut oil, palm-kernel oil, and palm oil that reflects the former domestic processing taxes imposed on these products (TSUS items 465.05, 465.15, 465.25, 465.35, 465.45, 465.55, 465.65, 490.24, 490.48, 490.73, and 490.92).

(4) increase the duty-free quota on Philippine coconut oil for the calendar year 1965 from 120,000 long tons to 160,000 long tons; and

(5) increase the duty-free quotas on Philippine coconut oil for the calendar years 1966 and 1967 and suspend for those years the reduced duty on copra referred to in (1) above, provided the President, before May 1, 1966, proclaims that the Republic of the Philippines has waived the obligation of the United States under paragraph 5 of article IV of the revised Philippine-United States trade agreement to maintain such reduced duty on copra.

## GENERAL STATEMENT

### *History of processing taxes and duties*

The Revenue Act of 1934 imposed a tax of 3 cents per pound on the first domestic processing of coconut oil and combinations or mixtures containing a substantial quantity of coconut oil, if the product of or produced from materials the product of the Philippines or any United States possession; otherwise, the tax was 5 cents per pound. A tax of 3 cents per pound was also imposed on the first domestic processing of palm-kernel oil and palm oil (except palm oil used in the manufacture of iron or steel products, tinplate or terne plate or any subsequent use of palm oil residue resulting from the manufacture of iron or steel products, tinplate or terne plate), and on derivatives (fatty acids, salts, etc.) of palm oil and palm-kernel oil. The Philippine Trade Act of 1946 provided that the 3-cents-per-pound rate, rather than the 5-cents-per-pound rate, was to apply to non-Philippine coconut oil during any period as to which the President finds that adequate supplies of neither copra nor coconut oil, the product of the Philippines, are readily available for processing in the United States.

The processing tax provisions were carried over into the Internal Revenue Code of 1954 as section 4511.

In the 1955 revised trade agreement with the Philippines, the United States undertook an obligation to maintain the 2-cent-per-pound preferential differential in the "internal" (processing) tax between Philippine coconut oil and non-Philippine oil. The proportionate differential on copra is 1.25 cents per pound.

Aside from the processing taxes, which were technically "internal" taxes, paragraph 54 of the original tariff schedules of the Tariff Act of 1930 imposed a duty of 2 cents per pound on coconut oil, and a duty of 1-cent per pound on palm-kernel oil fit for human consumption. No duty was imposed on copra or on palm oil. Pursuant to the General Agreement on Tariffs and Trade, effective January 1, 1948, the 2-cents-per-pound tariff on coconut oil was reduced to 1 cent.

Because the processing taxes above referred to operated economically as import duties (none of the raw materials, i.e., copra, palm nuts, or palm kernels, are produced in the United States), they were

assimilated into the TSUS and consolidated with regular duties, where applicable. IRC section 4511 was repealed. However, though for all other purposes the processing taxes were converted into regular import duties, the U.S. obligation to the Philippines to maintain a 2-cent preferential differential in the "internal" tax on these products necessitated the continued treatment of those portions of the duties that were derived from the processing taxes as "internal taxes" for the purposes of the Philippine trade agreement (TSUS schedule 1, part 14, headnote 3).

The processing taxes were imposed in 1934 principally to protect domestically produced vegetable oils in their use in the production of edible products such as margarine. Because the major use in the United States of coconut oil (the principal oil involved) shifted to the industrial sector (soaps, detergents, etc.) and because of the consequent decline in competition between coconut oil and domestic vegetable oils, the 3-cents-per-pound processing tax on coconut oil and its derivatives was suspended in 1957 until July 1, 1960 (Public Law 85-235, sec. 3). That legislation was followed by the suspension in 1959, also until July 1, 1960, of the processing taxes on palm oil and palm-kernel oil and their derivatives (Public Law 86-37). The suspension of all these taxes was continued until July 1, 1963 (Public Law 86-432), and further continued until July 1, 1966 (Public Law 87-859). The current suspension of the taxes is reflected in part 1 of the appendix to the TSUS (items 903.30-.32, relating to copra; item 903.40, relating to palm-nut kernels and palm nuts; items 903.43-.49, relating to coconut oil; items 903.60-.61, relating to palm-kernel oil; item 903.65, relating to palm oil; and items 907.70-.75, item 907.77, and items 907.85-.88, relating to various derivatives of coconut, palm-kernel or palm oil).

The regular duty on coconut oil (1 cent per pound since 1948) has remained in effect throughout the period of the suspension of the processing taxes, except with respect to imports of Philippine coconut oil within specified quotas. Under the 1955 revision of the trade agreement with the Philippines, Philippine coconut oil has been subject since 1955 to progressively declining duty-free quotas, overquota imports being subject to the 1-cent-per-pound duty. The basic quota was 200,000 long tons, which by 1962 had declined to 160,000 long tons. Until 1962 the 1-cent-per-pound duty on overquota imports was not operative because the duty-free quotas on Philippine coconut oil exceeded the imports in each quota year. A sharp rise in U.S. consumption in 1963 caused the quota (160,000 long tons) to be filled by November 1, 1963. The 1964 quota (same quantity as 1963) was filled by August of that year. For the years 1965 through 1967 the quota is 120,000 long tons per annum. The 1965 quota was filled by about June. In 1968 the duty-free quota will decline to 80,000 long tons and will remain at that quantity through 1970; for the years 1971-73 the annual quota will be 40,000 long tons; and on January 1, 1974, all preferential tariff treatment of Philippine coconut oil is scheduled to terminate.

#### *Background of bill*

Coconut oil, palm oil, and palm-kernel oil is produced from copra, palm nuts, and palm-nut kernels, respectively. There is no domestic production of the materials from which the oil is produced. The entire domestic supply of palm and palm-kernel oil is obtained from



imports. The U.S. supply of coconut oil comes almost in equal shares from imported coconut oil or from coconut oil expressed in the United States from imported copra. Virtually all of the imports (whether copra or oil) come from the Philippines. The virtual Philippine monopoly of the United States market for coconut oil and copra is attributed to the 2-cents-per-pound preferential differential between Philippine and non-Philippine coconut oil and the proportionate differential for copra of 1.25 cents per pound.

H.R. 6568, in its original form, provided essentially for the repeal of the presently suspended processing tax components of the TSUS duties on coconut oil, palm oil, and palm-kernel oil, as well as the 1-cent-per-pound duty on overquota Philippine coconut oil. The major domestic consumers of coconut oil have contended (1) that approximately 70 percent of coconut oil usage in the United States is in the manufacture of inedible products such as soaps, detergents, industrial alcohols, and plasticizers, and thus not competitive with domestic vegetable oils which are used primarily in edible products; (2) that the 1-cent duty which applies to over-quota Philippine oil imports operates as a strong deterrent to the importation of oil adequate to meet the rising U.S. requirements; (3) that the resulting increase in the domestic price of coconut oil will cause domestic users to shift increasingly to synthetic substitutes; (4) that such a shift will divert Philippine coconut oil formerly coming to the U.S. market to European and other foreign markets where it will compete with U.S. soybean and cottonseed oil exports (because, unlike in the United States, European usage of coconut oil is largely in edible products), thus depressing prices and interfering with U.S. marketing programs for U.S. fats and oils. The interested U.S. agencies, including the Department of Agriculture, generally agreed with these views and favored the bill.

On the other hand, domestic crushers, all located on the west coast, contended that the 1-cent duty on overquota coconut oil imports constituted their only protection from total destruction for their domestic copra-crushing operations unless the 1.25 cents duty that applied to non-Philippine copra imports was removed so as to give them economic access to supplies of non-Philippine copra for crushing in their domestic plants.

#### *Bill as reported*

In seeking to provide equitable treatment of the various domestic interests and at the same time advance the national interest, your committee has had very much in mind the interest of domestic producers and processors of soybeans, cottonseeds, and other edible fats and oils and oilseeds. Soybeans, the Nations' third most valuable crop and not as yet a surplus commodity, are slated for a record harvest this year. Exports are essential to the continued prosperity of this sector of our agricultural economy. It is of particular significance therefore, that the 1-cent duty, which has been the only operative duty over the past 3 years, has already had the effect of diverting Philippine coconut oil to European markets where it competes with U.S. edible fats and oils. In 1964 the Philippines actually sold more oil in Europe than did Europe's traditional supplier, the Netherlands. This contrasts sharply with 1962, at which time the 1-cent duty was not operative, when the Philippines exported no coconut oil to Europe.

At the same time, the committee could not ignore the plight of the domestic crushers. In addition, the committee was reluctant to remove the 1-cent duty without obtaining some reciprocal action by the Philippine Republic to improve conditions of access to its market for U.S. fats and oils. Your committee concluded that all interests would best be served by the measures provided by the bill as reported. First, the rate of diversion of Philippine coconut oil will be held in check and U.S. requirements for the oil substantially met by raising the duty-free quota for the years 1965-67 to 160,000 long tons. This figure corresponds to the quota that was in effect for the calendar years 1962-64. Second, with a view to assisting the U.S. crushers to obtain supplies of copra from non-Philippine sources, the increased duty-free quota will not be effective for the years 1966 and 1967 unless the Philippine Republic releases the United States for those 2 years from its obligation to maintain the duty of 1.25 cents per pound on non-Philippine copra.

It is your committee's hope that the executive branch, in consulting with the Government of the Philippine Republic concerning the waiver referred to, will in addition seek improved conditions of access into the Philippine market for U.S. fats and oils and oilseeds. The committee is advised that legislation was passed by the Philippine Congress last year, lowering by 50 percent the duties levied on U.S. soybeans, and that this legislation—which was part of an omnibus bill—was vetoed by the President of the Philippines for unrelated reasons. The committee is also advised that there have been official expressions of interest in Manila in lowering duties on U.S. tallow. Without meaning to be exhaustive or definitive, the committee is of the view that steps of this nature would go far to justify more extensive and permanent adjustment of U.S. duties on copra and coconut oil.

### *Conclusion*

Your committee has given the most careful consideration in executive session to all sides of the issue raised by this legislation, after full public hearings and consideration of the views of the agencies concerned. The bill, as reported, represents the unanimous view of the committee as to the manner in which the matter concerned should be treated at this time. The committee urges the enactment of the bill.



## CHANGES IN EXISTING LAW MADE BY THE BILL, AS REPORTED

In compliance with clause 3 of rule XIII of the Rules of the House of Representatives, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in *italic*, existing law in which no change is proposed is shown in roman):

### TARIFF ACT OF 1930

#### TITLE I—TARIFF SCHEDULES OF THE UNITED STATES

\*                      \*                      \*                      \*                      \*                      \*

##### SCHEDULE 1.—ANIMAL AND VEGETABLE PRODUCTS

\*                      \*                      \*                      \*                      \*                      \*

##### PART 14.—Animal and Vegetable Oils, Fats, and Greases

###### Part 14 headnotes:

1. If, at any time prior to July 4, 1974, the President, after consultation with the President of the Philippine Republic, finds that adequate supplies of neither copra nor coconut oil, the product of the Philippines, are readily available for processing in the United States, he shall issue a special proclamation so proclaiming, and the provisions of items 175.10 through 175.12 of subpart A and of items 176.07 through 176.13 of subpart B of this part shall become inoperative with respect to products entered after the date of such proclamation and before the expiration of 30 days after he proclaims that, after consultation with the President of the Philippine Republic, he finds that adequate supplies of such copra or coconut oil are readily available for processing in the United States.

2. Copra, the product of the Trust Territory of the Pacific Islands, 61 Stat. 397 (hereinafter referred to in this part as the Trust Territory) or produced wholly from materials the growth or production thereof (items 175.11 and 175.12) and coconut oil, the product of the Trust Territory, or produced wholly from materials the growth or production thereof (items 176.08, 176.09, 176.10, 176.12 and 176.13) shall be subject to additional duties of 1.25¢ per pound and 2¢ per pound, respectively, to such extent, and at such time after the date of the applicable proclamation, as the President, after taking into account the responsibilities of the United States with respect to the economy of the Trust Territory, shall determine and proclaim to be justified to prevent substantial injury or the threat thereof to the competitive trade of any country of the free world.

3. For the purposes of the exclusive trade agreement between the United States and the Republic of the Philippines, the rates of duty in subpart A on copra [ , palm-kernel nuts and palm nuts, and a 3-cent part of each of the rates of duty in subpart B on coconut oil, palm-kernel oil and palm oil ] shall be deemed to be an "internal tax" rather than an "ordinary customs duty".

SUBPART A.—OIL-BEARING VEGETABLE MATERIALS <sup>1</sup>

Subpart A headnote:

1. This subpart covers oil-bearing seeds and other oil-bearing vegetable materials.

Item	Articles	Rates of duty	
		1	2
*	* * * *	*	*
175.09	Copra: Entered during the effective period of special proclamation issued pursuant to headnote 1 of this part, or entered after July 3, 1974.....	Free	Free
175.10	Entered on or before July 3, 1974, when no such special proclamation is in effect.....	Free	Free
175.11	If product of the Philippines or of the Trust Territory.....	Free	Free
175.12	If produced elsewhere than in the Philippines or the Trust Territory wholly of materials the growth or production thereof.....	Free	Free
*	* * * *	*	*
175.27	Palm-nut kernels.....	Free	Free
175.30	Palm nuts.....	Free	Free
175.28	Palm-nut kernels and palm nuts.....	Free	Free
*	* * * *	*	*

<sup>1</sup> Subtract 1.87¢ per lb. from this rate for copra entered on or before June 30, 1966. See Appendix to Tariff Schedules.

<sup>2</sup> Palm-nut kernels and palm nuts entered on or before June 30, 1966, are free of duty. See Appendix to Tariff Schedules.

SUBPART B.—VEGETABLE OILS, CRUDE OR REFINED <sup>1</sup>

Subpart B headnotes:

1. This subpart covers all expressed or extracted vegetable oils, whether crude or subjected to refining processes, but does not cover any of such products which have been artificially mixed or which have been sulfonated, sulfated, hydrogenated, or processed otherwise than by refining. This subpart also covers vegetable tallow.

2. Coconut oil, which is a Philippine article, is entitled to the preferential rates of duty prescribed in items 176.05, 176.08 and 176.12 of this subpart if entered on or before December 31, 1973, but the total aggregate quantity entered under these items during each calendar year shall not exceed—

(a) 160,000 tons during calendar years 1963 through 1964,

[(b) 120,000 tons during calendar years 1965 through 1967,]

(b) 160,000 tons during calendar year 1965,

(c) during calendar years 1966 through 1967—

(i) if a proclamation has been issued pursuant to headnote 3 of this subpart, 160,000 tons, or

(ii) if such a proclamation has not been issued, 120,000 tons,

[(c)] (d) 80,000 tons during calendar years 1968 through 1970, and

<sup>1</sup> Imports of certain products in this subpart are subject to additional import restrictions. See Appendix to Tariff Schedules.

[(d)] (e) 40,000 tons during calendar years 1971 through 1973.

3. If, before May 1, 1966, the President determines that for the calendar years 1966 through 1967 the Republic of the Philippines has waived its rights with respect to copra under paragraph 5 of article IV of the revised trade agreement between the United States and the Republic of the Philippines, he shall so proclaim.

Item	Articles	Rates of duty	
		1	2
176.04	Coconut oil: Entered during the effective period of special proclamation issued pursuant to headnote 1 of this part, or entered after July 3, 1974-----	<b>[4¢ per lb.]</b> 1¢ per lb.	<b>[5¢ per lb.]</b> 2¢ per lb.
176.05	If product of the Philippines or of the Trust Territory: If Philippine article within tariff-rate quota (see headnote 2 of this subpart), or if Trust Territory article, entered on or before July 3, 1974-----	<b>[3¢ per lb.]</b> Free.	
176.06	Other-----	<b>[4¢ per lb.]</b> 1¢ per lb.	
176.07	Entered on or before July 3, 1974, when no special proclamation issued pursuant to headnote 1 of this part is in effect: Crude-----	<b>[6¢ per lb.<sup>2</sup>]</b> 3¢ per lb.	<b>[7¢ per lb.<sup>2</sup>]</b> 4¢ per lb.
176.08	If product of the Philippines or of the Trust Territory: If Philippine article within tariff-rate quota (see headnote 2 of this subpart), or if Trust Territory article-----	<b>[3¢ per lb.<sup>2</sup>]</b> Free	
176.09	Other-----	<b>[4¢ per lb.<sup>2</sup>]</b> 1¢ per lb.	
176.10	If produced elsewhere than in the Philippines or the Trust Territory wholly from materials the growth or production thereof-----	<b>[4¢ per lb.<sup>2</sup>]</b> 1¢ per lb.	<b>[5¢ per lb.<sup>2</sup>]</b> 2¢ per lb.
	<sup>1</sup> Imports of certain products in this subpart are subject to additional import restrictions. See Appendix to Tariff Schedules. <sup>2</sup> Subtract 3¢ per lb. from this rate for coconut oil entered on or before June 30, 1966. See Appendix to Tariff Schedules.		
176.11	Entered on or before July 3, 1974, etc. (con.): Other than crude-----	<b>[4¢ per lb. <sup>1</sup>]</b> 1¢ per lb.	<b>[5¢ per lb. <sup>1</sup>]</b> 2¢ per lb.
176.12	If product of the Philippines or of the Trust Territory: If Philippine article within tariff-rate quota (see headnote 2 of this subpart) or if Trust Territory article-----	<b>[3¢ per lb. <sup>1</sup>]</b> Free	
176.13	Other-----	<b>[4¢ per lb. <sup>1</sup>]</b> 1¢ per lb.	
	* * * * *	*	*
176.32	Palm-kernel oil: Rendered unfit for use as food-----	3¢ per lb. <sup>1</sup>	3¢ per lb. <sup>1</sup>
176.33	Other-----	3.5¢ per lb. <sup>1</sup>	4¢ per lb. <sup>1</sup>
176.35	Palm oil: Imported to be used in the manufacture of iron or steel products, or of tin plate or terne plate-----	Free	Free
176.36	Other-----	3¢ per lb. <sup>1</sup>	3¢ per lb. <sup>1</sup>
176.32	Palm-kernel oil: Rendered unfit for use as food-----	Free	Free
176.33	Other-----	0.5¢ per lb.	1¢ per lb.
176.34	Palm oil-----	Free	Free
	* * * * *	*	*
	<sup>1</sup> Subtract 3¢ per lb. from this rate for coconut oil, palm-kernel oil or palm oil entered on or before June 30, 1966. See Appendix to Tariff Schedules.		



## SCHEDULE 4.—CHEMICALS AND RELATED PRODUCTS

Item	Articles	Rates of duty	
		1	2
	<p><b>PART 8.—SURFACE-ACTIVE AGENTS; SOAPS AND SYNTHETIC DETERGENTS</b></p> <p>Part 8 headnote:</p> <p>1. This part covers surface-active agents, soaps, and synthetic detergents, except those provided for in items 405.30 and 405.35 of part 1C of this schedule. The addition of any product described in part 1 of this schedule to these products as a color, brightener, germicide, deodorizer, whitener, or scent does not affect their classification under this part (8).</p> <p><b>SUBPART A.—SURFACE-ACTIVE AGENTS</b></p> <p>Subpart A headnotes:</p> <p>1. The term "<i>surface-active agents</i>", as used in item 465.95 means synthetic organic chemical compounds, or mixtures thereof, which function as surface tension modifiers and are chiefly used for any one or combination of the following purposes: As detergents, wetting agents, emulsifiers, dispersants, or foaming agents.</p> <p>2. For the purposes of the exclusive trade agreement between the United States and the Republic of the Philippines, the specific parts of the rates of duty (3¢ per lb.) in items 465.25, 465.35, and 465.65 of this subpart shall be deemed to be an "internal tax" rather than an "ordinary customs duty".</p> <p>Fatty substances of animal (including marine animal) or vegetable origin:</p> <p>Not sulfonated or sulfated:</p> <p>Fatty-acid esters, ethers, and ether-esters of polyhydric alcohols:</p> <p>465. 05 Derived from coconut, palm-kernel, or palm oil.....</p> <p>465. 10 Other.....</p> <p>Fatty-acid amides, amines, and quaternary ammonium salts:</p> <p>465. 15 Derived from coconut, palm-kernel, or palm oil.....</p> <p>465. 20 Other.....</p> <p><sup>1</sup> Subtract 1.5¢ per pound from the specific part of the rate for products derived from coconut, palm-kernel, or palm oil entered on or before June 30, 1966. See Appendix to Tariff Schedules.</p> <p>Sodium and potassium salts of fats, oils, and greases, and of fatty acids derived therefrom:</p> <p>465. 25 Derived from coconut, palm-kernel, or palm oil.....</p> <p>465. 30 Other.....</p> <p>Sulfonated or sulfated:</p> <p>Fatty acids and salts of fatty acids:</p> <p>465. 35 Derived from coconut, palm-kernel, or palm oil.....</p> <p>465. 40 Other.....</p> <p>Fatty alcohols and salts of fatty alcohols:</p> <p>465. 45 Derived from coconut, palm-kernel, or palm oil.....</p> <p>465. 50 Other.....</p> <p>Fatty-acid esters, ethers, amides, and amines:</p> <p>465. 55 Derived from coconut, palm-kernel, or palm oil.....</p> <p>465. 60 Other.....</p>	<p><b>[4.5¢] 3¢ per lb. + 15% ad val.<sup>1</sup></b></p> <p><b>3.75¢ per lb. + 15% ad val.</b></p> <p><b>[4.5¢] 3¢ per lb. + 15% ad val.<sup>1</sup></b></p> <p><b>3.75¢ per lb. + 15% ad val.</b></p> <p><b>[3¢ per lb. + 10% ad val.<sup>1</sup></b></p> <p><b>1.5¢ per lb. + 10% ad val.</b></p> <p><b>[3¢ per lb. + 10% ad val.<sup>1</sup></b></p> <p><b>1.5¢ per lb. + 10% ad val.</b></p> <p><b>[3¢ per lb. + 10% ad val.<sup>1</sup></b></p> <p><b>1.5¢ per lb. + 10% ad val.</b></p> <p><b>[1.5¢ per lb. + 10.5% ad val.<sup>1</sup></b></p> <p><b>0.75¢ per lb. + 10.5% ad val.</b></p>	<p><b>[7.5¢] 6¢ per lb. + 30% ad val.<sup>1</sup></b></p> <p><b>7.5¢ per lb. + 30% ad val.</b></p> <p><b>[7.5¢] 6¢ per lb. + 30% ad val.<sup>1</sup></b></p> <p><b>7.5¢ per lb. + 30% ad val.</b></p> <p><b>[3¢ per lb. + 25% ad val.<sup>1</sup></b></p> <p><b>3¢ per lb. + 25% ad val.</b></p> <p><b>[3¢ per lb. + 25% ad val.<sup>1</sup></b></p> <p><b>3¢ per lb. + 25% ad val.</b></p> <p><b>[3¢ per lb. + 25% ad val.<sup>1</sup></b></p> <p><b>3¢ per lb. + 25% ad val.</b></p> <p><b>[1.5¢ per lb. + 25% ad val.<sup>1</sup></b></p> <p><b>1.5¢ per lb. + 25% ad val.</b></p>

# 10 TARIFF TREATMENT—COPRA, PALM NUTS, PALM-NUT KERNELS

Item	Articles	Rates of duty	
		1	2
	PART 8.—SURFACE-ACTIVE AGENTS—Continued		
	SUBPART A.—SURFACE-ACTIVE AGENTS—Continued		
	Fats, oils, and greases, all the foregoing sulfonated or sulfated:		
465.65	Coconut, palm-kernel, and palm oils-----	<b>[3¢ per lb. +]</b> 14% ad val. <sup>1</sup>	<b>[3¢ per lb. +]</b> 35% ad val. <sup>1</sup>
*	* * * *	*	*
	<sup>1</sup> The specific part of the rate (3¢ or 1.5¢ per lb.) does not apply to coconut, palm-kernel, or palm oil or products derived therefrom entered on or before June 30, 1966. See Appendix to Tariff Schedules.		
	PART 13.—FATTY SUBSTANCES, CAMPHOR, CHARCS AND CARBONS, ISOTOPES, WAXES, AND OTHER PRODUCTS		
	Part 13 headnote:		
	1. Any product described in this part and also in part 1 of this schedule is classifiable under the said part 1, except any product provided for in item 493.10, 493.75, 494.50, 494.52, or 494.60, and except any product provided for in subpart C of this part.		
	SUBPART A.—FATTY SUBSTANCES		
	<b>[Subpart A headnote:]</b> -----		
	<b>[1. For the purposes of the exclusive trade agreement between the United States and the Republic of the Philippines, the specific parts of the rates of duty (3¢ per lb.) in items 490.24 and 490.48 of this subpart shall be deemed to be an "internal tax" rather than an "ordinary customs duty".]</b>		
*	* * * *	*	*
	Fatty substances, not sulfonated or sulfated, and not specially provided for:		
*	* * * *	*	*
	Fatty acids:		
	Of vegetable origin:		
490.20	Derived from linseed oil-----	4.5¢ per lb.+ 10% ad val.	4.5¢ per lb.+ 20% ad val.
490.22	Derived from hempseed, kapok, perilla, rapeseed, sesame, or sunflower oil-----	2.25¢ per lb.+ 10% ad val.	4.5¢ per lb.+ 20% ad val.
490.24	Derived from coconut, palm-kernel, or palm oil-----	<b>[3¢ per lb. +]</b> 10% ad val. <sup>1</sup>	<b>[3¢ per lb. +]</b> 20% ad val. <sup>1</sup>
490.26	Other-----	10% ad val.	20% ad val.
*	* * * *	*	*
	<sup>1</sup> The specific part of the rate (3¢ per lb.) does not apply to fatty acids derived from coconut, palm-kernel, or palm oil entered on or before June 30, 1966. See Appendix to Tariff Schedules.		
	Of vegetable origin:		
*	* * * *	*	*
490.48	Derived from coconut, palm-kernel, or palm oil-----	<b>[3¢ per lb. +]</b> 10% ad val. <sup>1</sup>	<b>[3¢ per lb. +]</b> 25% ad val. <sup>1</sup>
490.50	Other-----	10% ad val.	25% ad val.
	Fatty alcohols of animal (including marine animal) or vegetable origin:		
490.65	Oleyl-----	2.5¢ per lb. + 12.5% ad val.	6¢ per lb. + 30% ad val.
	Other:		
490.73	Derived from coconut, palm-kernel, or palm oil-----	<b>[3¢ per lb. +]</b> 10.5% ad val. <sup>1</sup>	<b>[3¢ per lb. +]</b> 25% ad val. <sup>1</sup>
490.75	Other-----	10.5% ad val.	25% ad val.

Item	Articles	Rates of duty	
		1	2
	PART 13.—FATTY SUBSTANCES—Continued		
	SUBPART A.—FATTY SUBSTANCES—continued		
	Esters:		
490.90	Of animal (including marine animal) origin--	0.75¢ per lb. + 10.5% ad val.	1.5¢ per lb. + 25% ad val.
	Of vegetable origin:		
490.92	Derived from coconut, palm-kernel, or palm oil-----	[1.5¢ per lb. +] 10.5% ad val. <sup>2</sup>	[1.5¢ per lb. +] 25% ad val. <sup>2</sup>
490.94	Other-----	10.5% ad val.	25% ad val.
*	* * * * *	*	*
<sup>1</sup> The specific part of the rate (3¢ per lb.) does not apply to salts and alcohols derived from coconut, palm-kernel, or palm oil entered on or before June 30, 1966. See Appendix to Tariff Schedules.			
<sup>2</sup> The specific part of the rate (1.5¢ per lb.) does not apply to esters derived from coconut, palm-kernel, or palm oil entered on or before June 30, 1966. See Appendix to Tariff Schedules.			

\* \* \* \* \*

APPENDIX TO THE TARIFF SCHEDULES

\* \* \* \* \*

PART 1.—TEMPORARY LEGISLATION

\* \* \* \* \*

SUBPART B.—TEMPORARY PROVISIONS AMENDING THE TARIFF SCHEDULES

\* \* \* \* \*

Item	Articles	Rates of duty		Effective period
		1	2	
	Chicory roots (provided for in part 11A, schedule 1):			
903.20	Crude (item 160.30)-----	Free	Free	On or before 6/30/66
903.21	Ground or otherwise prepared (item 160.35)----	2¢ per lb.	2¢ per lb.	
903.25	<i>Copra provided for in item 175.10, if a proclamation has been issued pursuant to headnote 3 of part 14B of schedule 1-----</i>	<i>Free</i>	<i>1.25¢ per lb.</i>	<i>On or before 12/31/67</i>



# 12 TARIFF TREATMENT—COPRA, PALM NUTS, PALM-NUT KERNELS

Item	Articles	Rates of duty		Effective period
		1	2	
903.30	Copra (provided for in part 14A, schedule 1): Entered when no special proclamation issued pursuant to headnote 1 of part 14 of schedule 1 is in effect (item 175.10)-----	1.25¢ per lb.	1.25¢ per lb.	On or before 6/30/66
903.31	If product of the Philippines or of the Trust Territory (item 175.11)-----	Free	Free	
903.32	If produced elsewhere than in the Philippines or the Trust Territory wholly of materials the growth or production thereof (item 175.12)-----	Free	Free	
903.40	Palm-nut kernels and palm nuts (provided for in items 175.27 and 175.30, respectively, part 14A, schedule 1)-----	Free	Free	On or before 6/30/66
	Coconut oil (provided for in part 14B of schedule 1): Entered when no special proclamation issued pursuant to headnote 1 of part 14 of schedule 1 is in effect:-----			On or before 6/30/66
903.43	Crude (item 176.07)-----	3¢ per lb.	4¢ per lb.	
903.44	If product of the Philippines or of the Trust Territory: If Philippine article within tariff-rate quota (see headnote 2 of part 14B of schedule 1) or if Trust Territory article (item 176.08)-----	Free		
903.45	Other (item 176.09)-----	1¢ per lb.		
903.46	If produced elsewhere than in the Philippines or the Trust Territory wholly from materials the growth or production thereof (item 176.10)-----	1¢ per lb.	2¢ per lb.	
903.47	Other than crude (item 176.11)-----	1¢ per lb.	2¢ per lb.	
903.48	If product of the Philippines or of the Trust Territory: If Philippine article within tariff-rate quota (see headnote 2 of part 14B of schedule 1) or if Trust Territory article (item 176.12)-----	Free		
903.49	Other (item 176.13)-----	1¢ per lb.		
	Palm-kernel oil (provided for in part 14B, schedule 1):			On or before 6/30/66
903.60	Rendered unfit for use as food (item 176.32)-----	Free	Free	
903.61	Other (item 176.33)-----	0.5¢ per lb.	1¢ per lb.	
	Palm oil (provided for in part 14B, schedule 1):			On or before 6/30/66
903.65	Other (item 176.36)-----	Free	Free	
*	* * *	*	*	*
	Fatty substances derived from coconut, palm-kernel, or palm oil (provided for in part 8A, schedule 4):			On or before 6/30/66
	Not sulfonated or sulfated:			
907.70	Fatty-acid esters, ethers, and ether-esters of polyhydric alcohols (item 465.05)-----	3¢ per lb.+ 15% ad val.	6¢ per lb.+ 30% ad val.	
907.71	Fatty-acid amides, amines, and quaternary ammonium salts (item 465.15)-----	3¢ per lb.+ 15% ad val.	6¢ per lb.+ 30% ad val.	
907.72	Sodium and potassium salts of fats, oils, and greases, and of fatty acids derived therefrom (item 465.25)-----	10% ad val.	25% ad val.	
	Sulfonated or sulfated:			
907.73	Fatty acids and salts of fatty acids (item 465.35)-----	10% ad val.	25% ad val.	
907.74	Fatty alcohols and salts of fatty alcohols (item 465.45)-----	10% ad val.	25% ad val.	
907.75	Fatty-acid esters, ethers, amides, and amines (item 465.55)-----	10.5% ad val.	25% ad val.	
907.77	Coconut, palm-kernel, and palm oils, sulfonated or sulfated (provided for in item 465.65, part 8A, schedule 4)-----	14% ad val.	35% ad val.	On or before 6/30/66
907.80	Canaigre, chestnut, curupay, divi-divi, eucalyptus, hemlock, larch, tara, mangrove, myrobalan, oak, quebracho, sumac, urunday, wattle, and valonia, all the foregoing provided for in items 470.23, 470.25, 470.55, 470.57, and 470.65, part 9A, schedule 4-----	Free	Free	On or before 9/30/66

Item	Articles	Rates of Duty		Effective period
		1	2	
[ 907.85 907.86 907.87 907.88 ]	Fatty substances derived from coconut, palm-kernel, or palm oil, not sulfonated or sulfated, and not specially provided for (provided for in part 13A, schedule 4):			[ On or before 6/30/66 ]
	Fatty acids (item 490.24) .....	10% ad val.	20% ad val.	
	Salts (item 490.48) .....	10% ad val.	25% ad val.	
	Fatty alcohols (item 490.73) .....	10.5% ad val.	25% ad val.	
	Esters (item 490.92) .....	10.5% ad val.	25% ad val.	

○



Union Calendar No. 437

89TH CONGRESS  
1ST SESSION

# H. R. 6568

[Report No. 1012]

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## IN THE HOUSE OF REPRESENTATIVES

MARCH 22, 1965

Mr. KEOGH introduced the following bill; which was referred to the Committee on Ways and Means

SEPTEMBER 16, 1965

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed

[Strike out all after the enacting clause and insert the part printed in italic]

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## A BILL

To amend the Tariff Act of 1930 to provide for alteration of the duties on importation of copra, palm nuts and palm-nut kernels and the oils crushed therefrom.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*  
3       That ~~(a) title I of the Tariff Act of 1930 (Tariff Schedules~~  
4       ~~of the United States; 28 F.R., part II, page 72, Aug. 17,~~  
5       ~~1963; 77A Stat. 72; 19 U.S.C., sec. 1202)~~ is amended by

- 1 striking out items 175.09 through 175.12, inclusive, and  
 2 inserting in lieu thereof the following:

“		Copra:			”
	175. 09	Entered during the effective period of special proclamation issued pursuant to headnote 1 of this part, or entered after July 3, 1974...	Free	Free	
	175. 10	Entered on or before July 3, 1974, when no such special proclamation is in effect....	1.25¢ per lb.	1.25¢ per lb.	
	175. 11	If product of the Philippines or of the Trust Territory.....	Free		
	175. 12	If produced elsewhere than in the Philippines or the Trust Territory wholly of materials the growth or production thereof.....	Free	Free	

- 3 (b) Schedule 1, part 14, subpart A of such title is  
 4 amended further by striking out items 175.27 and 175.30  
 5 and inserting in lieu thereof the following:

“	175. 27	Palm-nut kernels and palm nuts....	Free	Free	”
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- 6 (c) Schedule 1, part 14, subpart B of such title is  
 7 amended by striking out items 176.04 through 176.13, in-  
 8 clusive, and inserting in lieu thereof the following:

“		Coconut oil:			”
	176. 04	Entered during the effective period of special proclamation issued pursuant to headnote 1 of this part, or entered after July 3, 1974.....	Free	2¢ per lb.	
		Entered on or before July 3, 1974, when no such special proclamation is in effect:			
	176. 05	Crude.....	2¢ per lb.	4¢ per lb.	
	176. 06	If product of the Philippines or of the Trust Territory.	Free		
	176. 07	If produced elsewhere than in the Philippines or the Trust Territory wholly from materials the growth or production thereof.....	Free		
	176. 08	Other than crude.....	Free	2¢ per lb.	



1       ~~(d)~~ Schedule 1, part 14, subpart B of such title is  
 2 amended further by striking out items 176.32 through  
 3 176.36, inclusive, and inserting in lieu thereof the following:

4       ~~(e)~~ Schedule 1, part 14, headnote 1 of such title is  
 5 amended by striking out “176.07 through 176.13” and in-  
 6 serting in lieu thereof “176.05 through 176.08”.

7       ~~(f)~~ Schedule 1, part 14, headnote 2 of such title is  
 8 amended by striking out “(items 176.08, 176.09, 176.10,  
 9 176.12 and 176.13)” and inserting in lieu thereof “(items  
 10 176.06, 176.07 and 176.08)”;

11 and is amended further by  
 12 striking out, after the words “subject to” and before the  
 word “duties”, the word “additional”.

13       ~~(g)~~ Schedule 1, part 14 of such title is amended further  
 14 by striking out headnote 3.

15       ~~(h)~~ Schedule 1, part 14, subpart B of such title is  
 16 amended further by striking out headnote 2.

17 ...   ~~(i)~~ The Appendix to such title, part 1, subpart B, is  
 18 amended by striking out items 903.30 through 903.65, in-  
 19 elusive.

20       SEC. 2. The amendments made by the first section of  
 21 this Act shall apply to articles entered, or withdrawn from  
 22 warehouse, for consumption on or after the date of the  
 23 enactment of this Act. Upon request therefor filed with the

1 collector of customs concerned on or before the one hundred  
 2 and twentieth day after the date of the enactment of this Act,  
 3 entries and withdrawals of copra, palm nuts, palm-nut ker-  
 4 nels, coconut oil, palm oil and palm-kernel oil made after  
 5 August 30, 1963, and before the date of enactment of this  
 6 Act which have not been liquidated or the liquidation of  
 7 which has not become final on such date of enactment shall  
 8 be liquidated or reliquidated as though such entries and  
 9 withdrawals had been made on the date of the enactment of  
 10 this Act.

11 That (a) the article description preceding item 175.09, and  
 12 items 175.09 through 175.12, inclusive, of the Tariff Sched-  
 13 ules of the United States (19 U.S.C. 1202) are amended  
 14 to read as follows:

“	<div>175.09</div> <div>175.10</div> <div>175.11</div> <div>175.12</div>	<i>Copra:</i> <i>Entered during the effective pe-</i> <i>riod of special proclamation</i> <i>issued pursuant to headnote 1</i> <i>of this part, or entered after</i> <i>July 3, 1974.....</i> <i>Entered on or before July 3,</i> <i>1974, when no such special</i> <i>proclamation is in effect.....</i> <i>If product of the Philip-</i> <i>pines or of the Trust</i> <i>Territory.....</i> <i>If produced elsewhere than</i> <i>in the Philippines or the</i> <i>Trust Territory wholly of</i> <i>materials the growth or</i> <i>production thereof.....</i>	<div>Free</div> <div>1.25¢ per lb. ...</div> <div>Free</div> <div>Free</div>	<div>Free</div> <div>1.25¢ per lb. ...</div> <div>Free</div> <div>Free</div>	”
---	---	---	--	--	---

15 (b) Such Schedules are amended by striking out items  
 16 175.27 and 175.30 and inserting in lieu thereof the  
 17 following:

“ | 175.28 | Palm-nut kernels and palm nuts..... | Free | Free | ”

1 (c) The article description preceding item 176.04, and  
 2 items 176.04 through 176.13, inclusive, of such Schedules  
 3 are amended to read as follows:

“	Coconut oil:			
176.04	Entered during the effective period of special proclamation issued pursuant to headnote 1 of this part, or entered after July 3, 1974.....	1¢ per lb.	2¢ per lb.	
	If product of the Philippines or of the Trust Territory:			
176.05	If Philippine article within tariff-rate quota (see headnote 2 of this subpart), or if Trust Territory article, entered on or before July 3, 1974..	Free		
176.06	Other.....	1¢ per lb.		
	Entered on or before July 3, 1974, when no special proclamation issued pursuant to headnote 1 is in effect:			
176.07	Crude.....	3¢ per lb.	4¢ per lb.	
	If product of the Philippines or of the Trust Territory:			
176.08	If Philippine article within tariff-rate quota (see headnote 2 of this subpart), or if Trust Territory article.....	Free		
176.09	Other.....	1¢ per lb.		
176.10	If produced elsewhere than in the Philippines or the Trust Territory wholly from materials the growth or production thereof.....	1¢ per lb.	2¢ per lb.	
176.11	Other than crude.....	1¢ per lb.	2¢ per lb.	
	If product of the Philippines or of the Trust Territory:			
176.12	If Philippine article within tariff-rate quota (see headnote 2 of this subpart), or if Trust Territory article.....	Free		
176.13	Other.....	1¢ per lb.		”

(d) Such Schedules are amended by striking out the article description preceding item 176.32 and all that follows through item 176.36 and inserting in lieu thereof the following:

“		Palm-kernel oil:				”
		176. 32	Rendered unfit for use as food...	Free		Free
		176. 33	Other.....	0.5¢ per lb.		1¢ per lb.
		176. 34	Palm oil.....	Free		Free

(e)(1) Items 465.05 and 465.15 of such Schedules are amended—

(A) by striking out “4.5¢ per lb.” each place it appears and inserting in lieu thereof “3¢ per lb.”; and

(B) by striking out “7.5¢ per lb.” each place it appears and inserting in lieu thereof “6¢ per lb.”.

(2) Items 465.25, 465.35, 465.45, 465.65, 490.24, 490.48, and 490.73 of such Schedules are amended by striking out “3¢ per lb. +” each place it appears.

(3) Items 465.55 and 490.92 of such Schedules are amended by striking out “1.5¢ per lb. +” each place it appears.

(f)(1) Headnote 3 for schedule 1, part 14 of such Schedules is amended by striking out “, palm-kernel nuts and palm nuts, and a 3-cent part of each of the rates of duty in subpart B on coconut oil, palm-kernel oil and palm oil”.

(2) Headnote 2 for schedule 4, part 8, subpart A of such Schedules is repealed.



1       (3) Schedule 4, part 13, subpart A of such Schedules  
 2 is amended by striking out “Subpart A headnote:” and by  
 3 striking out headnote 1.

4       (g) The article description preceding item 903.30 and  
 5 all that follows through item 903.65, the article descriptions  
 6 preceding item 907.70 and all that follows through item  
 7 907.77, and the article description preceding item 907.85  
 8 and all that follows through item 907.88 of such Schedules  
 9 are repealed.

10       SEC. 2. (a) The headnotes for schedule 1, part 14, sub-  
 11 part B of such Schedules are amended—

12           (1) by redesignating subparagraphs (c) and (d) of  
 13 headnote 2 as subparagraphs (d) and (e), respectively;

14           (2) by striking out subparagraph (b) of headnote 2  
 15 and inserting in lieu thereof the following:

16           “(b) 160,000 tons during calendar year 1965,

17           “(c) during calendar years 1966 through 1967—

18           “(i) if a proclamation has been issued pursuant to  
 19 headnote 3 of this subpart, 160,000 tons, or

20           “(ii) if such a proclamation has not been issued,  
 21 120,000 tons,”; and

22       (3) by adding at the end thereof the following new  
 23 headnote:

24       “3. If, before May 1, 1966, the President determines  
 25 that for the calendar years 1966 through 1967 the Republic



1 of the Philippines has waived its rights with respect to copra  
 2 under paragraph 5 of article IV of the revised trade agree-  
 3 ment between the United States and the Republic of the  
 4 Philippines, he shall so proclaim.”

5 (b) The appendix to such Schedules is amended by in-  
 6 serting after item 903.21 the following new item:

“	903.25	Copra provided for in item 175.10, if a proclamation has been issued pursuant to headnote 3 of part 14B of schedule 1.....	Free	1.25¢ per lb.	On or before 12/31/67	”
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7 SEC. 3. (a) The amendments and repeals made by the  
 8 first section of this Act shall apply with respect to articles  
 9 entered, or withdrawn from warehouse, for consumption on  
 10 or after the date of the enactment of this Act.

11 (b) (1) The amendments made by paragraphs (1) and  
 12 (2) of section 2(a) shall apply with respect to articles  
 13 entered, or withdrawn from warehouse, for consumption on  
 14 or after January 1, 1965. Upon request therefor filed with  
 15 the collector of customs concerned on or before the 120th day  
 16 after the date of the enactment of this Act, the entry or with-  
 17 drawal of any such article—

18 (A) which was made after December 31, 1964, and  
 19 on or before the date of the enactment of this Act, and

20 (B) the liquidation of which has been made without  
 21 regard to such amendments,

22 shall, if necessary to give effect to such amendments and not-

1 *withstanding section 514 of the Tariff Act of 1930 or any*  
2 *other provision of law, be reliquidated and appropriate re-*  
3 *fund of duty shall be made.*

4       (2) *The amendment made by section 2(b) shall apply*  
5 *with respect to articles entered, or withdrawn from ware-*  
6 *house, for consumption after December 31, 1965.*

Amend the title so as to read: "A bill to amend the  
Tariff Act of 1930 to make permanent the existing tempo-  
rary suspension of duty on copra, palm nuts, and palm-nut  
kernels, and the oils crushed therefrom, and for other  
purposes."

89<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 6568

[Report No. 1012]

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## A BILL

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To amend the Tariff Act of 1930 to provide for alteration of the duties on importation of copra, palm nuts and palm-nut kernels and the oils crushed therefrom.

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By Mr. KEOGH

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MARCH 22, 1965

Referred to the Committee on Ways and Means

SEPTEMBER 16, 1965

Reported with amendments, committed to the Committee of the Whole House on the State of the Union, and ordered to be printed







# DIGEST of Congressional Proceedings

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE  
WASHINGTON, D. C. 20250  
OFFICIAL BUSINESS

POSTAGE AND FEES PAID  
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(FOR INFORMATION ONLY;  
NOT TO BE QUOTED OR CITED)

Issued Oct. 19, 1965  
For actions of Oct. 18, 1965  
89th-1st; No. 194

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HIGHLIGHTS: Senate committee voted to report sugar bill. House passed hurricane relief bill. Senate passed bill to permit certain marketing orders to provide for paid advertising. Rep. Hall spoke favoring his cropland-restoration bill.

### HOUSE

1. DISASTER RELIEF. Passed under suspension of the rules H. R. 11539, to provide assistance to Fla., La., and Miss. for the reconstruction of areas damaged by the recent hurricane. The bill includes a provision for cancellation or waiver of interest due on certain Farmers Home Administration loans. pp. 26219-26, 26261-2
2. RIVERS-HARBORS; FLOOD CONTROL. Received the conference report on S. 2300, the rivers-and-harbors and flood-control bill (H. Rept. 1170). pp. 26200-9
3. WATERSHEDS. Received notices of approval of certain watershed projects by the Agriculture and Public Works Committees. p. 26210  
Rep. Grover commended the watershed program. pp. 26262-3
4. TARIFF. Passed under suspension of the rules H. R. 6568, to amend the Tariff Act

of 1930 to make permanent the existing temporary suspension of duty on copra, palm nuts, and palm-nut kernels, and the oils crushed therefrom. pp. 26216-9

5. WILDLIFE. Passed under suspension of the rules H. R. 9424, to provide for the conservation, protection, and propagation of native species of fish and wildlife, including migratory birds, that are threatened with extinction; to consolidate the authorities relating to administration by the Interior Department of the National Wildlife Refuge System; etc. pp. 26226-30, 26279
6. ADMINISTRATIVE LAW. Passed under suspension of the rules S. 1758, to provide for the right of persons to be represented in matters before Federal agencies. pp. 26230-2
7. REPORTS. Passed under suspension of the rules S. 2150, to discontinue or modify certain reports required by law. The bill discontinues the requirements for reports on tort claims, Puerto Rican relief loans, and farm housing needs. pp. 26233-5, 26279
8. PURCHASING. Passed under suspension of the rules S. 1004, to make title III of the Federal Property and Administrative Services Act directly applicable to procurement of property and nonpersonal services by executive agencies. pp. 26235-7
9. WATER CONSERVATION. Rep. Vigorito inserted an article, "Water Conservation Efforts: Washington Takes a Hand." p. 26251
10. CROPLAND RESTORATION. Rep. Hall spoke in support of his bill, H. R. 7184, to provide for cropland restoration. pp. 26256-7
11. MONETARY REFORM. Rep. Curtis inserted an article by Roy L. Reiersen, "Some Thoughts on International Monetary Reform." pp. 26263-7

#### SENATE

12. SUGAR. The "Daily Digest" states that the Finance Committee voted to report (but did not actually report) "with an amendment in the nature of a substitute bill," H. R. 11135, the sugar bill, and that "as approved by the committee, the bill would embody an amended version of S. 2567, the administration's proposal." p. D1032
13. LUMBER. Passed without amendment H. R. 10198, to amend the requirements relating to lumber under the Shipping Act, 1916, so as to restore the tariff filing requirements with respect to ocean shipments of hardwood lumber. This bill will now be sent to the President. p. 26304
14. MARKETING ORDERS. Concurred with an amendment (to include olives and pecans) to the House amendment to S. 2092, to permit inclusion of provisions for paid advertising in marketing orders applicable to celery, sweet corn, limes, or avocados. pp. 26295-96
15. VETERANS' AFFAIRS. Sen. Yarborough urged passage of the cold war GI bill and inserted a supporting article. pp. 26296-98



and who had to go to a great deal of trouble to certify and get birth certificates. The bill would provide a convenience for the people of the United States who live in the Canal Zone.

As I have said, if the Canal Zone is done away with, then, of course, the measure would be voided.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. JOHNSON of Pennsylvania. I yield to the gentleman from Iowa.

Mr. GROSS. I wonder if the gentleman from Missouri could give us a clue as to why the other body has not acted. I now find that the other body refused to act on this bill as late as last year. So, in 1962, 1963, and 1964, the other body has refused to do anything about this legislation as previously passed by the House.

Mrs. SULLIVAN. To answer the gentleman's question, I think it is just lack of interest in the other body.

Mr. JOHNSON of Pennsylvania. Perhaps, Mr. Speaker, in view of the purposes of the bill, it would be a deterrent to giving away the Panama Canal, and I withdraw my reservation of objection.

The bill was ordered to be engrossed and read a third time, was read the third time and passed, and a motion to reconsider was laid on the table.

#### BURT COUNTY BRIDGE COMMISSION

The Clerk called the bill (H.R. 5026) to authorize the Burt County Bridge Commission, a public body politic and corporate in the county of Burt and State of Nebraska, to refund the outstanding revenue bonds of said Burt County Bridge Commission heretofore issued to finance the cost of the construction of a bridge, together with the necessary approaches and appurtenances therefor, from a point located in the city of Decatur, Burt County, Nebraska, across the Missouri River to a point located in Monona County, Iowa.

There being no objection, the Clerk read the bill, as follows:

H.R. 5026

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Burt County Bridge Commission, a public body politic and corporate in the county of Burt and State of Nebraska, be, and is hereby, authorized to refund the outstanding revenue bonds of said Burt County Bridge Commission heretofore issued to finance the cost of the construction of a bridge, together with the necessary approaches and appurtenances therefor, from a point located in the city of Decatur, Burt County, Nebraska, across the Missouri River to a point located in Monona County, Iowa.*

SEC. 2. There is hereby conferred upon said Burt County Bridge Commission all such authority, rights, and powers as are necessary or required to enable said Burt County Bridge Commission to issue its refunding revenue bonds for the purpose of refunding and refinancing said outstanding revenue bonds, including the payment of reasonable financing costs and expenses in connection with such refunding and refinancing.

SEC. 3. The said Burt County Bridge Commission is hereby authorized to fix and charge tolls for transit over such bridge, and the rates of tolls so fixed shall be the legal rates

until changed by the Secretary of the Army under the authority contained in the General Bridge Act of 1946, enacted August 2, 1946.

SEC. 4. In fixing the rates of tolls to be charged for the use of such bridge, the same shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating said bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize said refunding revenue bonds, including interest at a rate not to exceed 6 per centum per annum and reasonable financing costs and expenses, as soon as possible under reasonable charges, but within a period of not to exceed fifty years from the date of issuance of said refunding revenue bonds. After a sinking fund sufficient for such amortization shall have been so provided, such bridge shall thereafter be maintained and operated free of tolls. An accurate record of the cost of such refunding and refinancing, the cost of maintaining, repairing, and operating said bridge and of the daily tolls collected, shall be kept and shall be available for the information of all persons interested.

With the following committee amendments:

Page 2, strike out lines 7 through 14, inclusive, and insert in lieu thereof the following:

"SEC. 2. There is hereby conferred upon said Burt County Bridge Commission, all such authority, rights and powers as are necessary or required to enable said Burt County Bridge Commission to issue its refunding revenue obligations for the purpose of refunding and refinancing said outstanding revenue bonds, including the payment of reasonable financing costs and expenses in connection with such refunding and refinancing. Said obligations are, in order of priority, as follows: Two thousand series A bonds of par value of \$500 each, total value of \$1,000,000, bearing interest at 4 per centum per annum, due August 1, 1985, and redeemable at 100 per centum of par value and accrued interest on any interest payment date; two thousand non-interest-bearing notes in the amount of \$375 each, total value of \$750,000, due not later than August 1, 2004; and two thousand series B bonds of par value of \$500 each, total value of \$1,000,000, bearing no interest, and principal due not later than August 1, 2004."

Page 2, strike out line 21 and all that follows down through and including line 12 on page 3 and insert in lieu thereof the following:

"SEC. 4. In fixing the rates of tolls to be charged for the use of such bridge, the same shall be so adjusted as to provide a fund sufficient to pay for the reasonable cost of maintaining, repairing, and operating said bridge and its approaches under economical management, and to provide a sinking fund sufficient to amortize said refunding revenue obligations. After a sinking fund sufficient for such amortization shall have been so provided, but in any event not later than August 1, 2004, such bridge shall thereafter be maintained and operated free of tolls. An accurate record of the cost of such refunding and refinancing, the cost of maintaining, repairing, and operating said bridge and of the daily tolls collected, shall be kept and shall be available for the information of all persons interested. The Commission shall provide the Secretary of Commerce with a copy of its semiannual audit report, which shall be subject to review by the Secretary, and who, if he deems necessary, may undertake on-site audits of the Commission's records at no expense to the Commission."

The committee amendments were agreed to.

The bill was ordered to be engrossed and read a third time, was read the third

time, and passed, and a motion to reconsider was laid on the table.

The SPEAKER. This concludes the call of the Consent Calendar.

#### USE OF LAND AT LA JOLLA, CALIF., FOR A MARINE BIOLOGICAL RESEARCH LABORATORY

Mr. LENNON. Mr. Speaker, I ask unanimous consent that the Committee of the Whole House on the State of the Union be discharged from further consideration of the bill (S. 1735) relating to the use by the Secretary of the Interior of land at La Jolla, Calif., donated by the University of California for a marine biological research laboratory, and for other purposes, and ask unanimous consent for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from North Carolina?

Mr. HALL. Mr. Speaker, reserving the right to object, I wonder if the gentleman who asked unanimous consent would explain the bill. I do not have a copy available, though I hasten to add that the gentleman has discussed it with me.

Mr. LENNON. Mr. Speaker, will the gentleman yield?

Mr. HALL. I yield to the gentleman from North Carolina.

Mr. LENNON. I am delighted to explain the bill.

The purpose of the bill is to implement an agreement with the University of California, made by the Secretary of the Interior, under which the United States acquired title to 2.4 acres of land for the construction of a Fishery-Oceanography Center.

In 1962 the University of California conveyed this land to the Department of Interior, more particularly to the Bureau of Fisheries. At that time an effort was made to put a reversionary clause in. That was not acceptable to the Department of Justice; and then consideration was given to a 99-year lease. Again, that was not acceptable; so there was an agreement between the Secretary of the Interior and the regents of the University of California, to the effect that if the property were conveyed—and it was conveyed to the Federal Government for this purpose—the Congress would be called upon to enact legislation which would permit the Secretary of the Interior to reconvey the property to the regents of the University of California if and when the property was used for a purpose different from the purpose for which it was originally deeded to the Secretary of the Interior.

Mr. HALL. Mr. Speaker, the gentleman would stipulate, then, that this is merely a "reverter clause" to the original donor to the U.S. Government?

Mr. LENNON. In substance it will authorize the Secretary to reconvey the property to the University of California, only when the property is no longer used for the purposes for which it was deeded to the Federal Government.

Mr. HALL. Mr. Speaker, I withdraw my reservation.



Mr. GROSS. Mr. Speaker, further reserving the right to object, I note in the report, as the gentleman has stated, that the university insisted originally upon this reversionary clause, but dropped its insistence apparently for the reason that it wanted the laboratory more than it wanted a reversionary clause at that time.

Now we are confronted with an after-the-fact call to do something which should have been done, it seems to me, during the process of originally awarding the laboratory on land held by the university.

I am not going to object to consideration of this bill at this time, but in the future, it seems to me, we should insist that demands of this type be carried out or that the Government locate its laboratories in other places.

Mr. LENNON. I can appreciate the concern of the gentleman from Iowa, but I believe it should be made crystal clear for the RECORD that the Department of the Interior in the first instance contacted the regents of the University of California because of their desire to locate a marine laboratory in this particular area. As a matter of fact, the hearing record will reflect that the University of California was solicited by the Secretary of the Interior for land on the campus.

The University of California, through its board of regents, was quite acceptable to the idea of deeding the property to the Federal Government with a reversionary clause, but the Department of Justice intervened and said it would not accept it under those conditions. Then the question of a 99-year lease was considered, and that was not acceptable, either. So the full import of this legislation, sir, is that the Secretary of the Interior and the regents of the university then agreed to go ahead with the transaction with the understanding that Congress would enact legislation that would give the Secretary of the Interior the legal authority to reconvey the property at some subsequent or future date, which I frankly do not believe will happen, in the event that the property is not used for the specific purposes for which it was deeded.

Mr. GROSS. What I am saying to my friend from North Carolina is that here today we are called upon to do something, it seems to me, that ought to have been worked out in the first instance. That is my criticism.

Mr. LENNON. I agree. As the chairman of the subcommittee, that is exactly the position I took. It is water over the dam, now, though, and has to be done in this way.

Mr. GROSS. I thank the gentleman for his explanation.

The SPEAKER. Is there objection to the present consideration of the bill?

There being no objection, the Clerk read the bill, as follows:

S. 1735

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That in order to carry out the understanding between the Secretary of the Interior and the Regents of the University of California when the latter donated approximately two and four-*

tenths acres of land situated on the San Diego Campus of the University of California, for establishment thereon by the United States of a marine biological research laboratory, and in recognition of the restriction in the deed conveying the land to the United States which requires the land "to be used exclusively for research on the living resources of the sea or their environment; or for purposes compatible with activities of the \* \* \* Scripps Institution of Oceanography (situated on said Campus) or for any other purpose expressly approved by the Grantor", the Secretary of the Interior is authorized and directed to reconvey to the Regents of the University of California, or their successors, title to the donated land and the improvements constructed or placed thereon:

(a) Whenever he determines that the land and improvements are not in his judgment needed by the United States for the limited uses permitted by the deed, such determination to be made after receiving the views of other Federal agencies regarding their possible use of the land consistent with the limitations in the deed; or

(b) Whenever the United States ceases to use the land and improvements for more than two years exclusively for such limited uses.

The bill was ordered to be read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

#### TARIFF TREATMENT—COPRA, PALM NUTS, PALM-NUT KERNELS

Mr. KEOGH. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6568) to amend the Tariff Act of 1930 to provide for alteration of the duties on importation of copra, palm nuts, and palm-nut kernels and the oils crushed therefrom, with the amendments as reported in the bill.

The Clerk read as follows:

H.R. 6568

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the article description preceding item 175.09, and items 175.09 through 175.12, inclusive, of the Tariff Schedules of the United States (19 U.S.C. 1202) are amended to read as follows:*

COPRA:			
175.09	Entered during the effective period of special proclamation issued pursuant to headnote 1 of this part, or entered after July 3, 1974.....	Free	Free
175.10	Entered on or before July 3, 1974, when no such special proclamation is in effect.....	1.25¢ per lb.	1.25¢ per lb.
175.11	If product of the Philippines or of the Trust Territory.....	Free	
175.12	If produced elsewhere than in the Philippines or the Trust Territory wholly of materials the growth or production thereof.....	Free	Free

(b) Such Schedules are amended by striking out items 175.27 and 175.30 and inserting in lieu thereof the following:

175.28	Palm-nut kernels and palm nuts.....	Free	Free
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(c) The article description preceding item 176.04, and items 176.04 through 176.13, in-

clusive, of such schedules are amended to read as follows:

176.04	Coconut oil: Entered during the effective period of special proclamation issued pursuant to headnote 1 of this part, or entered after July 3, 1974.....	1¢ per lb.	2¢ per lb.
176.05	If product of the Philippines or of the Trust Territory: If Philippine article within tariff-rate quota (see headnote 2 of this subpart), or if Trust Territory article, entered on or before July 3, 1974.....	Free	1¢ per lb.
176.06	Other.....	Free	1¢ per lb.
176.07	Entered on or before July 3, 1964, when no special proclamation issued pursuant to headnote 1 is in effect: Crude.....	3¢ per lb.	4¢ per lb.
176.08	If product of the Philippines or of the Trust Territory: If Philippine article within tariff-rate quota (see headnote 2 of this subpart), or if Trust Territory article.....	Free	1¢ per lb.
176.09	Other.....	Free	1¢ per lb.
176.10	If produced elsewhere than in the Philippines or the Trust Territory wholly from materials the growth or production thereof.....	1¢ per lb.	2¢ per lb.
176.11	Other than crude.....	1¢ per lb.	2¢ per lb.
176.12	If product of the Philippines or of the Trust Territory: If Philippine article within tariff-rate quota (see headnote 2 of this subpart), or if Trust Territory article.....	Free	1¢ per lb.
176.13	Other.....	Free	1¢ per lb.

(d) Such Schedules are amended by striking out the article description preceding item 176.32 and all that follows through item 176.36 and inserting in lieu thereof the following:

176.32	Palm-kernel oil: Rendered unfit for use as food.....	Free	Free
176.33	Other.....	0.5¢ per lb.	1¢ per lb.
176.34	Palm oil.....	Free	Free

(e) (1) Items 465.05 and 465.15 of such Schedules are amended—

(A) by striking out "4.5¢ per lb." each place it appears and inserting in lieu thereof "3¢ per lb."; and

(B) by striking out "7.5¢ per lb." each place it appears and inserting in lieu thereof "6¢ per lb."

(2) Items 465.25, 465.35, 465.45, 465.65, 490.24, 490.48, and 490.73 of such Schedules are amended by striking out "3¢ per lb. +" each place it appears.

(3) Items 465.55 and 490.92 of such Schedules are amended by striking out "1.5¢ per lb. +" each place it appears.

(f) (1) Headnote 3 for schedule 1, part 14 of such Schedules is amended by striking out " palm-kernel nuts and palm nuts, and a 3-cent part of each of the rates of duty in



subpart B on coconut oil, palm-kernel oil and palm oil".

(2) Headnote 2 for schedule 4, part 8, subpart A of such Schedules is repealed.

(3) Schedule 4, part 13, subpart A of such Schedules is amended by striking out "Subpart A headnote:" and by striking out headnote 1.

(g) The article description preceding item 903.30 and all that follows through item 930.65, the article descriptions preceding item 907.70 and all that follows through item 907.77, and the article description preceding item 907.85 and all that follows through item 907.88 of such Schedules are repealed.

SEC. 2. (a) The headnotes for schedule 1, part 14, subpart B of such Schedules are amended—

(1) by redesignating subparagraphs (c) and (d) of headnote 2 as subparagraphs (d) and (e), respectively;

(2) by striking out subparagraph (b) of

" 903.25	Copro provided for in item 175.10, if a proclamation has been issued pursuant to headnote 3 of part 14B of schedule 1.....	Free	1.25¢ per lb.	On or before 12/31/67
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SEC. 3. (a) The amendments and repeals made by the first section of this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this Act.

(b) (1) The amendments made by paragraphs (1) and (2) of section 2(a) shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after January 1, 1965. Upon request therefor filed with the collector of customs concerned on or before the 120th day after the date of the enactment of this Act, the entry or withdrawal of any such article—

(A) which was made after December 31, 1964, and on or before the date of the enactment of this Act, and

(B) the liquidation of which has been made without regard to such amendments, shall, if necessary to give effect to such amendments and notwithstanding section 514 of the Tariff Act of 1930 or any other provision of law, be reliquidated and appropriate refund of duty shall be made.

(2) The amendment made by section 2(b) shall apply with respect to articles entered, or withdrawn from warehouse, for consumption after December 31, 1965.

The SPEAKER. Is a second demanded?

Mr. BYRNES of Wisconsin. Mr. Speaker, I demand a second.

The SPEAKER. Without objection, a second will be considered as ordered.

There was no objection.

Mr. KEOGH. Mr. Speaker, I yield myself 4 minutes.

(Mr. KEOGH asked and was given permission to revise and extend his remarks.)

Mr. KEOGH. Mr. Speaker, I hope it will not be deemed inappropriate for me to note, in view of some of the proceedings that went on earlier in the day, that it is rather fortuitous that the first bill on which there is any debate today is a bill concerning oil, coconut oil, a very soothing oil. I hope that it will soothe the tempers of the House. However, beyond that, Mr. Speaker, I hasten to add I trust that it will not be so soothing that it might impair the relatively quick adjournment of this session of Congress.

Mr. Speaker, the pending bill does three things; it repeals permanently the 3 cents processing tax on coconut oil, which tax has been suspended by temporary action since 1957.

headnote 2 and inserting in lieu thereof the following:

"(b) 160,000 tons during calendar year 1965,

"(c) during calendar years 1966 through 1967—

"(i) if a proclamation has been issued pursuant to headnote 3 of this subpart, 160,000 tons, or

"(ii) if such a proclamation has not been issued, 120,000 tons,"; and

(3) by adding at the end thereof the following new headnote:

"3. If, before May 1, 1966, the President determines that for the calendar years 1966 through 1967 the Republic of the Philippines has waived its rights with respect to copra under paragraph 5 of article IV of the revised trade agreement between the United States and the Republic of the Philippines, he shall so proclaim."

(b) The appendix to such Schedules is amended by inserting after item 903.21 the following new item:

Second, it increases for the years 1965, 1966, and 1967, the duty-free quota of Philippine coconut oil from 120,000 to 160,000 tons.

Third, and quite importantly, it conditions the increase of the quotas duty free for 1966 and 1967 upon the waiver by the Philippine Republic of their existing 1 1/4-cent preference on copra.

This bill, Mr. Speaker, I think meets with the virtual approval of all those who might directly or indirectly be concerned. It certainly meets with the approval of the U.S. importers and goes far to meeting all of the objections of the domestic crushers. It is of untold, proven, and inestimable value to the consumers of the United States.

Mr. Speaker, permit me to review in more detail the background and provisions of the bill:

Coconut oil was subject to a regular duty imposed by the Tariff Act of 1930, and in 1934 was made subject to a domestic processing tax. Copra was free of regular duty, but became subject to a proportionate processing tax in 1934. In 1957 the processing taxes were suspended for a temporary period, and this suspension was periodically extended by legislation. The processing taxes were assimilated into the new tariff schedules and consolidated with the regular duties, where applicable, effective August 31, 1963. In so doing, however, recognition was given to the suspension of the processing taxes in the appendix of the tariff schedules by providing for the suspension of that portion of the duties on coconut oil and copra that reflected the former processing taxes. Because of an obligation in the Philippine-United States trade agreement, a duty of 1.25 cents per pound remains applicable to non-Philippine copra so long as adequate supplies of Philippine copra or coconut oil are readily available for processing in the United States.

H.R. 6568, in its original form, provided for the repeal—permanent removal—of the processing taxes which have been under suspension since 1957. There was no opposition to this proposal from any source, and section 1 of H.R. 6568, as reported by your committee, would accomplish this purpose.

Under the Philippine-United States trade agreement, Philippine coconut oil has been the subject of progressively declining duty-free quotas and will remain so until 1974. Overquota imports are subject to duty at 1 cent per pound. H.R. 6568, in its original form, provided for the repeal of the 1-cent-per-pound duty on overquota Philippine coconut oil. It was claimed that with the declining duty-free quotas the 1-cent duty operated as a deterrent to the importation of adequate supplies of coconut oil which is used mainly in the United States in the manufacture of inedible products, such as soaps and detergents. The duty, it was urged, will have the effect of causing domestic producers of soaps and detergents to shift to synthetic substitutes, which, in turn, would deflect Philippine oil to European and other markets where it is used largely in edible products and thus compete with U.S. vegetable oils in those markets. On the other hand, U.S. copra crushers contended that the 1-cent duty on overquota oil was their only protection from destruction of their copra-crushing operations so long as they had to pay 1.25 cents per pound duty on non-Philippine copra imports.

Taking all factors into account, including that of the difficulties imposed by the Philippines on access of U.S. fats, oils and oilseeds in their market, the bill developed in the committee provides, in this regard, as follows:

The tariff quotas for Philippine coconut oil would be increased from 120,000 to 160,000 long tons for 1965, 1966, and 1967, provided that the increase for 1966 and 1967 would not be effective unless the President, before May 1, 1966, proclaims that the Philippine Republic has released the United States for the 2 years 1966 and 1967 from its obligation to maintain the duty of 1.25 cents per pound on non-Philippine copra. If this proclamation is issued, the quotas will be increased for the 2 years, as provided in the bill, and the duty on copra will be suspended for those 2 years.

Mr. Speaker, as I indicated, I believe that the various domestic interests are agreeable to the provisions of the bill as reported, and the Committee on Ways and Means was unanimous in recommending enactment of the bill.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. KEOGH. I yield to the gentleman from Iowa.

Mr. GROSS. If this bill is approved by everyone why is there not some indication of that in the report? There is not a single letter or communication from any agency or department of Government stating a position with reference to this legislation.

Mr. KEOGH. Mr. Speaker, I can say to the gentleman that the reports of all the departments of the Government interested in this legislation were favorable. Those reports were on the original bill. They reported in person to the committee their approval of the committee bill.

Mr. BYRNES of Wisconsin. Mr. Speaker, will the gentleman yield?



Mr. KEOGH. I am happy to yield to the distinguished gentleman from Wisconsin.

Mr. BYRNES of Wisconsin. Mr. Speaker, those reports will be found in the public hearings. I realize this does not make them a part of the RECORD itself, but, as the gentleman says, they were favorable and they are available to the Members.

Mr. GROSS. Mr. Speaker, will the gentleman yield further?

Mr. KEOGH. I am delighted to yield to the gentleman.

Mr. GROSS. As I understand this legislation it would cut the tariff on coconut oil imports into the United States; is that correct?

Mr. KEOGH. That is correct; it would increase the duty-free quota for 3 years, conditionally.

Mr. GROSS. I note on page 5 of the report that the Philippine Congress last year passed legislation lowering by 50 percent duties levied on U.S. soybeans, but that legislation was vetoed by the President of the Philippines. What kind of reciprocity is it when we provide under the terms of this legislation to accept more imports of coconut oil and they refuse to extend us reciprocity in our export of soybeans to that country?

Mr. KEOGH. Mr. Speaker, the distinguished gentleman from Iowa, as always, raises a very cogent point. I would say to him that our committee went carefully into this matter and we decided that it would not be fitting on our part to attempt to guess why an autonomous legislative body in a friendly, allied country does certain things, no more, we hope, than some of them would attempt on occasion to guess why we here do certain things.

But I will say to the gentleman that your committee—and this report, incidentally, is unanimous out of our committee—that your committee has conditioned the continuance of the duty-free quota on their not only waiving their existing and longtime preference on copra, but as I am sure the gentleman has noted, the report invites the attention of the executive branch, in dealing with this problem, to go into all the others.

But I will say to the gentleman that in my opinion it would be unwise for us, with respect to the Philippine Islands, to make any more narrow, or to narrow to any further extent, the conditions except those that are laid down in the bill.

Mr. GROSS. Mr. Speaker, if the gentleman will yield further, what did the committee hearings develop with respect to the supply of domestic edible fats and oils situation in this country?

Mr. KEOGH. That clearly the best interests of the edible fats and oils produced in this country and sold worldwide are far better protected in the manner which your committee has reported in the pending bill than attempting, as I am sure the gentleman is always opposed to, any futile effort to do it piecemeal, to do it narrowly, and to do it with respect to the Philippine Islands where the problem is nonexistent.

Mr. GROSS. Mr. Speaker, I come from an agricultural area, and I am wondering—

Mr. KEOGH. Mr. Speaker, I am well aware of that.

Mr. GROSS. I am wondering, as I look at this legislation, what the situation of edible fats and oils is within this country. Are we now going to bring in more coconut oil to load on what may be a domestic surplus of edible fats and oils?

Mr. KEOGH. Mr. Speaker, the gentleman, coming as he does from and speaking in behalf of a great agricultural section of this country, knows very well that the use to which coconut oil is put primarily in this country, is not at all competitive with that of edible fats and oils.

The SPEAKER. The time of the gentleman from New York has again expired.

Mr. KEOGH. Mr. Speaker, I yield myself 2 additional minutes.

Mr. GROSS. Wait a minute.

Mr. KEOGH. But, for the most part this coconut oil goes into the making of detergents and the unavailability of any supply would force the domestic detergent manufacturers into the manufacture of synthetic detergents, with the creation of further collateral problems with which the gentleman from Iowa is fully familiar.

Mr. GROSS. As the gentleman, my good friend from New York, very well knows, detergents, soap, and so forth, can be made and are made from inedible oil in this country. We have a lot of inedible oil as a byproduct of our livestock industry.

Mr. KEOGH. Precisely; and it has been so testified to. But the trend of the domestic detergent industry is in two directions. They use coconut oil when available and they go to synthetics when it is not available. There is no gainsaying that.

Mr. BYRNES of Wisconsin. Mr. Speaker, I yield myself such time as I may consume.

This bill deals with two separate taxes or duty applicable with respect to the importation and processing of coconut oil. Practically all of our coconut oil is either imported from the Philippines, or is produced in the United States from copra which has been imported from the Philippines.

In the Revenue Act of 1934, coconut oil was subjected to a processing tax of 3 cents per pound if processed from a product of a U.S. possession or the Philippines, and 5 cents per pound if processed from other sources. Since 1957, we have suspended this processing tax.

The Philippine Trade Act of 1946 provided for the favorable differential in the processing tax as applied to the Philippines. By agreement with the Philippines, the United States undertook an obligation to maintain this 2-cent-per-pound preferable differential in the processing tax between Philippine coconut oil and non-Philippine coconut oil. As applied to the copra, this differential works out to 1.25 cents per pound of copra to be processed.

In addition to the processing taxes, the Tariff Act of 1930 imposed a 2-cent-per-pound duty on the importation of coconut oil and a 1-cent-per-pound duty on palm-kernel oil fit for human consump-

tion. Pursuant to GATT, it was reduced to 1 cent, effective January 1948.

Originally, the processing taxes were designed to protect domestic vegetable oils in a use of the production of edible products such as margarine. The use of coconut oil for such products became economically impractical because of a price differential. Accordingly, coconut oils are used almost wholly for the production of soaps, detergents, and the like. No coconut oil is used for edible purposes in the United States, except where used as a film on certain bakery products.

While the processing tax has been suspended, the regular duty of 1 cent per pound has been in effect with respect to imports of Philippine coconut oil within specified quotas since 1948. The quota which could be brought in from the Philippines duty free was scaled to decline from 200,000 tons initially to 160,000 tons by 1962 and 120,000 tons by 1965, and thereafter in stages to be completely eliminated by 1974. Thus, the amount of coconut oil which could be brought in free of duty from the Philippines was declining, while at the same time the U.S. demand for coconut oil to be used in the production of soaps and detergents was increasing. This year the duty free quota was filled within the first 6 months of the calendar year. This meant that all coconut oil imported from the Philippines after June 1965, came in at a duty rate of 1 cent per pound. The users of coconut oil asked that the duty be eliminated, or the quotas increased since there was no domestic production of copra.

There were a few domestic crushers of copra who opposed any increase in the quota, or elimination of the duty, unless we also removed the discriminatory duty that applied to non-Philippine copra imports of 1.25 cents per pound. These domestic crushers stated that so long as that duty remained in effect, they did not have access to any non-Philippine copra, and with the elimination of the duty on imports of oil from the Philippines, could not compete with copra crushed in the Philippines.

The bill seeks to provide an equitable adjustment both with respect to the preference granted to the Philippines and with respect to the duty imposed on non-Philippine copra.

First, the bill increases the quota-free imports of coconut oil from the Philippines to 160,000 long tons. This will correspond with the quota in effect for the calendar years 1962-64.

Second, the quota of 160,000 long tons will be effective for the years 1966 and 1967 only if the Philippine Republic agrees to release the United States from any obligation to maintain a duty of 1.25 cents per pound of non-Philippine copra. In other words, if the Philippines wishes to have the advantage of a higher duty-free quota, the Philippines must agree in turn to permit the U.S. domestic crushers to buy copra from outside the Philippines without paying a discriminatory duty of 1.25 cents per pound.

While the bill does not provide an ultimate solution to the problem insofar as it relates to the problem of protecting the interest of domestic crushers of copra without unreasonably penaliz-



ing domestic users of coconut oil, we believe that the quotas provided for in the bill, accompanied by a waiver of the discriminatory duty on non-Philippine copra, will provide benefits for all concerned by 1968, we will have a much better idea of what a permanent solution should be.

The bill also provides for the repeal of the processing taxes which have been suspended since 1957. These suspensions have become pretty much automatic, and there is no objection from any source to this section of the bill. Our only problem arose in attempting to satisfy the domestic users of coconut oil who objected to the payment of a duty on Philippine oil required in excess of the duty-free quotas, and the interest of a few domestic crushers who rightly contended that they could hardly stay in business if coconut oil was admitted duty free, that they could not buy copra—the raw material—without the payment of a duty.

I also believe it should be said at this point that as far as the competition is concerned between coconut oil and domestic edible oils, while that used to be a problem some number of years ago and that is why in the first instance a processing tax was imposed, we have suspended this processing tax for a number of years simply because there is not the competitive situation existing today that used to exist some 10 years ago. So that really is not the issue any more.

What we are trying to do here through the passage of this bill is to maintain, in a sense, the status quo as far as the importation or the payment of duty is concerned on coconut oil coming from the Philippines and get something in return for our copra processors in this country: namely, a relaxation of the preference which in effect means that you can only purchase copra from the Philippines. We made the implementation of this legislation depend on whether the Philippines agrees to waive the preference which they now enjoy in the sale of copra to this country.

Also, we have suggested in our report to the department involved—and you will note it referred to on page 5 of the committee report, that we hope the executive branch in consulting with the Government of the Philippines will also discuss with them the attitude on the part of the Philippines today which we think is unreasonable and which restricts our edible oils going into the Philippine Islands. It is our hope that by acting in this way they in return will reciprocate; not only insofar as their attitude toward copra is concerned, but that they will also yield in their restrictive attitude toward the exportation of other oils from this country to the Philippines.

Mr. GROSS. Mr. Speaker, will the gentleman yield?

Mr. BYRNES of Wisconsin. Yes, surely.

Mr. GROSS. We are taking a tangible action here today in the House to lower the tariff.

Mr. BYRNES of Wisconsin. For 1 year; and we point out that as far as next year's increase in quota is concerned, it shall not go into effect unless the Philip-

pinos provide this waiver to which I have referred. So this is not a completely self-operating piece of legislation.

Mr. GROSS. If the gentleman will yield further, I am glad to hear that it is limited and that it is limited to 1 year. But, again, we get this story of "we hope the Philippines" or we hope someone else in some foreign country will do something.

Some of us are going to die in despair around here in this business of hoping that they are going to be reciprocal in their approach to us.

Mr. BYRNES of Wisconsin. I think if the gentleman will study the report and will study the hearings he will discover that this bill is more for the benefit of this country and the domestic consumers than it is for the Philippines.

The situation we find is that the Philippines is today the exclusive source for copra. Because they are the exclusive source we seek a mechanism to make them at least move in the direction of easing the situation as reflected by their attitude toward some products that are exported from this country to the Philippines. But whether they agree or not, I think this legislation would be good legislation without this condition simply because the fundamental benefit is going to be for our people.

Mr. HALL. Mr. Speaker, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from Missouri.

Mr. HALL. I am glad to see our legislative body keeping its finger on this, as well as keeping the Reciprocal Trade Act that you have just so well explained as a basis for our negotiations.

Can the gentleman tell me why this amendment that further amends the Tariff Act of 1931 is needed in addition to the so-called Reciprocal Trade Agreement Act of 1962 which authorizes the President to reduce all tariffs up to 50 percent?

Mr. BYRNES of Wisconsin. It arises out of the fact we have a special agreement that was entered into with the Philippines, I think first in 1946, and then was revised in 1959, that gives special privileges. It gives preferential treatment to the Philippines in connection with a number of items, including coconut oil and copra. We have agreed, for instance, they will always have a 2-cent-per-pound tariff differential in their favor. We cannot import coconut oil from any other country unless we charge them 2 cents more per pound in duty than we charge the Philippines. That is what we ask them to waive.

Mr. HALL. The gentleman is saying this is not embraced by the Reciprocal Trade Agreement.

Mr. BYRNES of Wisconsin. This is a special agreement. We have an understanding with GATT that recognizes such agreements that we have with the Philippines, entered into as a step in their independence.

The SPEAKER. The question is on suspending the rules and passing the bill.

The question was taken; and (two-thirds having voted in favor thereof) the

rules were suspended and the bill was passed.

The title was amended so as to read: "A bill to amend the Tariff Act of 1930 to make permanent the existing temporary suspension of duty on copra, palm nuts, and palm-nut kernels, and the oils crushed therefore, and for other purposes."

#### SOUTHEAST HURRICANE DISASTER RELIEF ACT OF 1965

Mr. JONES of Alabama. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 11539) to provide assistance to the States of Florida, Louisiana, and Mississippi for the reconstruction of areas damaged by the recent hurricane.

The Clerk read as follows:

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress hereby recognizes that the States of Florida, Louisiana, and Mississippi suffered extensive property loss and damage as a result of Hurricane Betsy in 1965 (including, but not limited to, loss and damage from flood, high waters, and wind-driven waters caused by such hurricane) and that there is a need for special measures designed to aid and accelerate these States in their efforts to provide for the reconstruction of highways and public works projects, and to otherwise rehabilitate these devastated areas.*

SEC. 2. Notwithstanding any other provision of law, trailers provided as a result of Hurricane Betsy as temporary housing under clause (d) of section 3 of the Act entitled "An Act to authorize Federal assistance to States and local governments in major disasters, and for other purposes", approved September 30, 1950, as amended (42 U.S.C. 1855b), may be sold directly to the persons who are the occupants thereof at prices that are fair and equitable.

SEC. 3. In the administration of the disaster loan program under section 7(b)(1) of the Small Business Act, as amended (15 U.S.C. 636(b)), in the case of property loss or damage in the States of Florida, Louisiana, and Mississippi resulting from Hurricane Betsy, the Small Business Administration, to the extent such loss or damage is not compensated for by insurance or otherwise, (1) shall at the borrower's option on that part of any loan in excess of \$500, (A) cancel up to \$1,800 of the loan, or (B) waive interest due on the loan in a total amount of not more than \$1,800 over a period not to exceed three years; and (2) may lend to a privately owned school, college, or university without regard to whether the required financial assistance is otherwise available from private sources, and may waive interest payments and defer principal payments on such a loan for the first three years of the term of the loan.

SEC. 4. In the administration of the emergency loan program under subtitle C of the Consolidated Farmers Home Administration Act of 1961, as amended (7 U.S.C. 1961-67), in the case of property loss or damage in the States of Florida, Louisiana, and Mississippi, resulting from flood, high waters, or wind-driven water or uninsurable crop loss, caused by Hurricane Betsy, the Secretary of Agriculture shall, to the extent such loss or damage is not compensated for by insurance or otherwise, at the borrower's option on that part of any loan in excess of \$500, (1) cancel up to \$1,800 of the loan, or (2) waive interest due on the loan in a total amount of not more than \$1,800 over a period not to exceed three years without regard to whether the required financial assistance is otherwise available from private sources.

SEC. 5. The Secretary of Housing and Urban Development shall undertake an imme-



quate study of alternative programs which could be established to help provide financial assistance to those suffering property losses in flood and other natural disasters, including alternative methods of Federal disaster insurance, as well as the existing flood insurance program, and shall report his findings and recommendations to the President for submission to the Congress not later than nine months after the appropriation of funds for this study, except that the findings and recommendations on earthquake insurance shall be reported to the President for submission to the Congress not later than three years after the appropriation of funds for this study.

SEC. 6. There is hereby authorized to be appropriated not to exceed \$70,000,000 to carry out this Act, and such sums shall remain available until expended.

SEC. 7. This Act, other than sections 5 and 6, shall not be in effect after January 1, 1967, except with respect to payment of expenditures for obligations and commitments entered into under this Act on or before such date.

SEC. 8. This Act may be cited as the "Southeast Hurricane Disaster Relief Act of 1965".

The SPEAKER. Is a second demanded?

Mr. CRAMER. Mr. Speaker, I demand a second.

Mr. JONES of Alabama. Mr. Speaker, I ask unanimous consent that a second be considered as ordered.

The SPEAKER. Is there objection to the request of the gentleman from Alabama?

There was no objection.

Mr. JONES of Alabama. Mr. Speaker, I yield myself 5 minutes.

(Mr. JONES of Alabama asked and was given permission to revise and extend his remarks.)

Mr. JONES of Alabama. Mr. Speaker, I am privileged to appear on this floor today as the chairman of the Subcommittee on Flood Control of the Committee on Public Works, and report to this body that the legislation which is being considered at this moment is needed and necessary legislation. It comes into being as a direct result of a trip taken to the State of Louisiana recently by the Subcommittee on Flood Control. We visited the devastated areas of New Orleans and Baton Rouge and held public hearings. We heard testimony from Federal, State, and local officials and private individuals as to the magnitude of Hurricane Betsy.

It appears that in the terms of the numbers of people affected and in the terms of monetary loss the damages caused to the States of Florida, Louisiana, and Mississippi by this hurricane of September 1965, may be greater than any of the previous natural disasters.

H.R. 11539, the legislation we consider today we believe will go a long way toward restoring the area to its full scale vitality. I point out that it operates within the framework of existing law and will provide, to those individuals who suffered damage by this disaster, relief for housing, property loss, and crop damage. It will as well, by acting again within the framework of existing law, go a long way to help replace the damaged schools in the area. The legislation authorizes some \$70 million for the purposes of the bill which in essence would waive at the borrower's option up to \$1,800 of

a loan issued by the Small Business Administration if the loan is in excess of \$500 to begin with or would allow interest to be waived on such loan for a period of 3 years but once again not in excess of \$1,800.

In the case of the farmers who are affected by this legislation as well as stockmen and oyster planters in the affected areas the Farmers Home Administration will be allowed to give additional assistance to these people and as in the case of the Small Business Administration where a loan is in excess of \$500 cancel up to \$1,800 of such loan or waive the interest due on the loan up to \$1,800 over a period of three years all without regard to whether required financial assistance is otherwise available from private sources.

Mr. Speaker, may I say between January and September of this year the Subcommittee on Flood Control of the Committee on Public Works has taken six separate trips to various disaster stricken areas of our country from the Pacific coast to the Gulf of Mexico. We believe these trips have been effective not only as a physiological stimulus to the people whom we visited in the areas and where we held hearings but have as well provided concrete results in the increased authorizations for existing projects, and definite legislation as in the case of Louisiana, Mississippi, and Florida which we consider today.

In the States of Louisiana, Florida, and Mississippi between 800,000 and 1 million people were affected by the hurricane. Over 1,500 homes were destroyed and more than 150,000 homes were damaged.

There were 2,000 trailers damaged or destroyed and 1,400 farm buildings and 2,600 small businesses.

It is obvious that these people must receive all the help possible. I pay great tribute today to the various Federal agencies which immediately moved into these areas and did so much for the regions that were affected. However, I believe that legislation such as H.R. 11539 is needed and is necessary. I trust this body will pass this legislation today.

Mr. BOGGS. Mr. Speaker, will the gentleman yield?

Mr. JONES of Alabama. I yield to the gentleman from Louisiana.

Mr. BOGGS. I should like to commend the gentleman and all of his colleagues on the Public Works Committee, including the gentleman from Florida [Mr. CRAMER] the ranking Republican member of the committee.

I should like especially to commend the Members on both sides of the aisle who took time off on a busy weekend and gave up their whole weekend to go to Louisiana and take testimony on the damage done in Florida, Mississippi, and Louisiana.

I should also like to commend the gentleman from Alabama and the members of the Committee on Public Works on the breadth of the proposed legislation. As the gentleman from Indiana knows, hearings have been conducted by the gentleman's committee on the need for general legislation.

I think what the gentleman is trying

to do is to take care of the situation in the manner in which we took care of the situation in Alaska, the Northwest, and elsewhere where disasters have recently occurred, and at the same time anticipate the passage of a general bill in the future, and also you are taking a real look at the need for flood and earthquake insurance. I commend the gentleman and everyone associated with him.

This bill is vitally important to the States affected and will bring measurable relief to a great many people.

Mr. Speaker, the recent Hurricane Betsy which struck Florida, Mississippi, and my State of Louisiana, was the worst natural disaster ever to strike the North American Continent, in terms of property losses. Many millions in insurable losses were suffered by homeowners, farmers, small businessmen, and by colleges and universities in south Louisiana, the area which received the most severe blow from Hurricane Betsy.

The Southeast Hurricane Disaster Relief Act, which we are considering in the House today, is a most important piece of legislation to the stricken people of my State, and those of Florida and Mississippi, many of whom suffered almost irreparable losses from Betsy's wrath. This legislation will bring sorely needed financial assistance in those areas where existing law does not provide adequate relief. Homeowners, farmers, fishermen, small businessmen, and private schools, colleges and universities, will be able to obtain more financial aid than is now available on their property losses by flood, high waters, and wind-driven waters. In cases, where their property losses from flooding, high waters, and wind-driven waters exceeds \$500, the homeowners, farmers, and small businessmen will be able to obtain a "forgiveness" up to a maximum of \$1,800, from the Small Business Administration, or from the Farmers Home Administration, or they will have an option to waive the interest due on a loan of up to a maximum of \$1,800, and to have more liberal repayment terms.

Schools, colleges, and universities, privately owned or religiously supported, will be able to get SBA loans without regard to whether the needed financial aid can be obtained from private commercial sources. These institutions, many of which sustained severe damages from the hurricane, also will be able to waive interest payments and defer principal payments on such loans for the first 3 years of the term of the loans.

This legislation also will permit those citizens who are living in Government-owner trailers, like those being provided to people at Grand Isle, to buy these trailers at fair and equitable prices.

In addition, the bill also provides for a comprehensive study of the whole field of Federal disaster assistance and relief, including various methods for offering Federal disaster insurance such as the existing Flood Insurance Act enacted by Congress in 1956.

From this thorough study, a report on findings and recommendations will be made to the President—with the end result that such special legislation for each







89<sup>TH</sup> CONGRESS  
1<sup>ST</sup> SESSION

# H. R. 6568

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IN THE SENATE OF THE UNITED STATES

OCTOBER 19, 1965

Read twice and referred to the Committee on Finance

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## AN ACT

To amend the Tariff Act of 1930 to make permanent the existing temporary suspension of duty on copra, palm nuts, and palm-nut kernels, and the oils crushed therefrom, and for other purposes.

- 1        *Be it enacted by the Senate and House of Representa-*  
2        *tives of the United States of America in Congress assembled,*  
3        That (a) the article description preceding item 175.09, and  
4        items 175.09 through 175.12, inclusive, of the Tariff Sched-

1 ules of the United States (19 U.S.C. 1202) are amended  
2 to read as follows:

“		Copra:			
	175. 09	Entered during the effective pe- riod of special proclamation issued pursuant to headnote 1 of this part, or entered after July 3, 1974.....	Free	Free	
	175. 10	Entered on or before July 3, 1974, when no such special proclamation is in effect....	1.25¢ per lb.	1.25¢ per lb.	
	175. 11	If product of the Philip- pines or of the Trust Territory.....	Free		
	175. 12	If produced elsewhere than in the Philippines or the Trust Territory wholly of materials the growth or production thereof.....	Free	Free	”

3 (b) Such Schedules are amended by striking out items  
4 175.27 and 175.30 and inserting in lieu thereof the  
5 following:

“	175. 28	Palm-nut kernels and palm nuts....	Free	Free.	”
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6 (c) The article description preceding item 176.04, and  
7 items 176.04 through 176.13, inclusive, of such Schedules  
8 are amended to read as follows:

“		Coconut oil:			
	176. 04	Entered during the effective period of special proclama- tion issued pursuant to head- note 1 of this part, or entered after July 3, 1974.....	1¢ per lb.	2¢ per lb.	
		If product of the Philip- pines or of the Trust Territory:			
	176. 05	If Philippine article within tariff-rate quota (see head- note 2 of this sub- part), or if Trust Territory article, entered on or before July 3, 1974 .....	Free		
	176. 06	Other.....	1¢ per lb.		

	Coconut oil—Continued		
	Entered on or before July 3, 1974, when no special proclamation issued pursuant to headnote 1 is in effect:		
176. 07	Crude.....	3¢ per lb.	4¢ per lb.
	If product of the Philippines or of the Trust Territory:		
176. 08	If Philippine article within tariff-rate quota (see headnote 2 of this subpart), or if Trust Territory article.....	Free	
176. 09	Other.....	1¢ per lb.	
176. 10	If produced elsewhere than in the Philippines or the Trust Territory wholly from materials the growth or production thereof.....		
		1¢ per lb.	2¢ per lb.
176. 11	Other than crude.....	1¢ per lb.	2¢ per lb.
	If product of the Philippines or of the Trust Territory:		
176. 12	If Philippine article within tariff-rate quota (see headnote 2 of this subpart), or if Trust Territory article.....	Free	
176. 13	Other.....	1¢ per lb.	

1 (d) Such Schedules are amended by striking out the  
2 article description preceding item 176.32 and all that follows  
3 through item 176.36 and inserting in lieu thereof the fol-  
4 lowing:

“	Palm-kernel oil:			”
	176. 32	Rendered unfit for use as food.....	Free	
	176. 33	Other.....	0.5¢ per lb.	
	176. 34	Palm oil.....	Free	



1       (e) (1) Items 465.05 and 465.15 of such Schedules are  
2 amended—

3           (A) by striking out “4.5¢ per lb.” each place it  
4 appears and inserting in lieu thereof “3¢ per lb.”; and

5           (B) by striking out “7.5¢ per lb.” each place it  
6 appears and inserting in lieu thereof “6¢ per lb.”.

7       (2) Items 465.25, 465.35, 465.45, 465.65, 490.24,  
8 490.48, and 490.73 of such Schedules are amended by  
9 striking out “3¢ per lb. +” each place it appears.

10       (3) Items 465.55 and 490.92 of such Schedules are  
11 amended by striking out “1.5¢ per lb. +” each place it  
12 appears.

13       (f) (1) Headnote 3 for schedule 1, part 14 of such  
14 Schedules is amended by striking out “, palm-kernel nuts  
15 and palm nuts, and a 3-cent part of each of the rates of  
16 duty in subpart B on coconut oil, palm-kernel oil and palm  
17 oil”.

18       (2) Headnote 2 for schedule 4, part 8, subpart A of  
19 such Schedules is repealed.

20       (3) Schedule 4, part 13, subpart A of such Schedules  
21 is amended by striking out “Subpart A headnote:” and by  
22 striking out headnote 1.

23       (g) The article description preceding item 903.30 and  
24 all that follows through item 903.65, the article descriptions  
25 preceding item 907.70 and all that follows through item

1 907.77, and the article description preceding item 907.85  
2 and all that follows through item 907.88 of such Schedules  
3 are repealed.

4 SEC. 2. (a) The headnotes for schedule 1, part 14, sub-  
5 part B of such Schedules are amended—

6 (1) by redesignating subparagraphs (c) and (d)  
7 of headnote 2 as subparagraphs (d) and (e), respec-  
8 tively;

9 (2) by striking out subparagraph (b) of headnote  
10 2 and inserting in lieu thereof the following:

11 “(b) 160,000 tons during calendar year 1965,

12 “(c) during calendar years 1966 through 1967—

13 “(i) if a proclamation has been issued pursuant to  
14 headnote 3 of this subpart, 160,000 tons, or

15 “(ii) if such a proclamation has not been issued,  
16 120,000 tons,”; and

17 (3) by adding at the end thereof the following new  
18 headnote:

19 “3. If, before May 1, 1966, the President determines  
20 that for the calendar years 1966 through 1967 the Republic  
21 of the Philippines has waived its rights with respect to copra  
22 under paragraph 5 of article IV of the revised trade agree-  
23 ment between the United States and the Republic of the  
24 Philippines, he shall so proclaim.”

(b) The appendix to such Schedules is amended by inserting after item 903.21 the following new item:

“	903. 25	Copra provided for in item 175.10, if a proclamation has been issued pursuant to headnote 3 of part 14B of schedule 1 . . . . .	Free	1.25¢ per lb.	On or before 12/31/67	”
---	---------	---	------	---------------	-----------------------	---

SEC. 3. (a) The amendments and repeals made by the first section of this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this Act.

(b) (1) The amendments made by paragraphs (1) and (2) of section 2 (a) shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after January 1, 1965. Upon request therefor filed with the collector of customs concerned on or before the 120th day after the date of the enactment of this Act, the entry or withdrawal of any such article—

(A) which was made after December 31, 1964, and on or before the date of the enactment of this Act, and

(B) the liquidation of which has been made without regard to such amendments,

shall, if necessary to give effect to such amendments and notwithstanding section 514 of the Tariff Act of 1930 or any other provision of law, be reliquidated and appropriate refund of duty shall be made.

1       (2) The amendment made by section 2 (b) shall apply  
2 with respect to articles entered, or withdrawn from ware-  
3 house, for consumption after December 31, 1965.

Passed the House of Representatives October 18, 1965.

Attest:

RALPH R. ROBERTS,

*Clerk.*

89<sup>TH</sup> CONGRESS  
1<sup>ST</sup> Session

H. R. 6568

---

## AN ACT

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To amend the Tariff Act of 1930 to make permanent the existing temporary suspension of duty on copra, palm nuts, and palm-nut kernels, and the oils crushed therefrom, and for other purposes.

---

OCTOBER 19, 1965

Read twice and referred to the Committee on Finance







DIGEST of Congressional Proceedings

OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE  
WASHINGTON, D. C. 20250  
OFFICIAL BUSINESS

POSTAGE AND FEES PAID  
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
FOR INFORMATION ONLY;  
NOT TO BE QUOTED OR CITED)

Issued Feb. 17, 1966  
For actions of Feb. 16, 1966  
89th-2nd, No. 26

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HIGHLIGHT.: See page 6

SENATE

1. FOREIGN TRADE; OILS. The Finance Committee voted to report (but did not actually report) H. R. 6568, "to make permanent the existing temporary suspension of duty on copra, palm nuts, and palm kernels, and the oil crushed there from (amended so as to strike sec. 2 from the bill)." p. D97
2. FOOD FOR FREEDOM. Received from this Department a proposed bill to promote international trade in agricultural commodities, to combat hunger and malnutrition, and to further economic development, including continuation and amendment

of Public Law 480; to Agriculture and Forestry Committee. p. 2893

Sens. Carlson, Proxmire, and McGovern commended the proposal. pp. 2902-3, 2998, 3000, 3005

3. FOOD RESERVES. Received from this Department a proposed bill to authorize CCC to establish and maintain reserves of agricultural commodities for emergency purposes; to Agriculture and Forestry Committee. p. 2893
4. SCHOOL MILK. Sens. Proxmire and Tydings criticized the budget cut in the school milk program. pp. 2970, 2991  
Received a resolution from the Council of San Jose, Calif., favoring "the restoration of the funds deducted from the special school milk program." p. 2896
5. WILDERNESS AREAS. Received from the President the annual report on implementation of the Wilderness Act (H. Doc. 381); to Interior and Insular Affairs Committee. pp. 2896-7
6. ACREAGE ALLOTMENTS. Sen. Carlson urged immediate consideration of increasing acreage allotments, particularly for wheat, as a means of meeting world food needs. pp. 2903-4
7. LAND-GRANT COLLEGES. Sen. Morse expressed his concern over, and inserted a statement of the executive committee of the National Assoc. of State Universities and Land-Grant Colleges critical of budget cuts for the land-grant colleges. pp. 2960-2
8. FORESTRY. Sen. Morse criticized proposals for "exploiting" the allowable timber cut on forest lands and inserted two items discussing the matter. pp. 2970-1  
Sen. Byrd, W. Va., commended the service of Dr. V. L. Harper, Deputy Chief of the Forest Service, upon his retirement. pp. 3002-3
9. RURAL ELECTRIFICATION. Sen. Metcalf criticized the budget cut in REA loan funds stating it "will have a sharp effect in Montana." p. 2973
10. FARM PRICES. Sen. McGovern deplored actions he stated this Department has taken "to prevent farm prices from rising," stated that most farm prices and farm income are still too low, and inserted a statement in support of his position. pp. 2995-6
11. CROP INSURANCE. Received the annual report of the Federal Crop Insurance Corporation. p. 2893
12. ALASKA. Received from the President "a report on 1964 amendments to the Alaska Omnibus Act, for the 6-month period ended December 31, 1965." p. 2893
13. LOANS. Received the annual report of the Farm Credit Administration. p. 2893
14. PERSONNEL; IMPORTS. Received from Navy a proposed bill "to extend for a temporary period the existing provisions of law relating to the free importation of personal and household effects brought into the United States under Government orders"; to Finance Committee. p. 2894
15. CIVIL SERVICE. Received from the President the annual report of the Civil



Farm Credit Administration; 3 judicial; 104 postmasters; 2,411 Marine Corps; and 68 Public Health Service.

Pages 3034-3041

**Program for Thursday:** Senate met at noon and, as a further mark of respect to the late Representative Thomas, adjourned at 6:16 p.m. until noon Thursday, February 17, when it will continue consideration of S. 2791, military procurement authorizations.

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## Committee Meetings

(Committees not listed did not meet)

### COMMITTEE BUSINESS

**Committee on Finance:** Committee, in executive session, ordered favorably reported the following bills: H.R. 10625, relating to the tax treatment of certain amounts paid to servicemen and their survivors; H.R. 9883, to amend subchapter S. of chapter I of the Internal Revenue Code of 1954 (with an amendment which would repeal subch. R. of ch. I); H.R. 6568, to make permanent the existing temporary suspension of duty on copra, palm nuts, and palm kernels, and the oil crushed therefrom (amended so as to strike sec. 2 from the bill);

H.R. 4599, providing for the free entry of certain stained glass for the Congregation Emanuel of Denver, Colo. (amended so as to include in the bill the text of S. 1038, providing for free entry of chipped colored glass windows for St. Anns Church, Las Vegas; H.R. 5831, providing for free entry of certain stained glass and cement windows for Our Lady of Angels Seminary of Glenmont, N.Y.; H.R. 11006, extending statutory burial allowance to certain veterans whose deaths occur as a result of a service-connected disability; H.R. 11007, providing statutory authority for the Deputy Administrator of Veterans' Affairs to assume the duties of the Administrator during his absence or disability, or during a

vacancy in that office; and H.R. 11747, restricting conditions under which benefits are immediately reduced upon readmission of veterans for hospitalization or other institutional care.

### ASIAN DEVELOPMENT BANK

**Committee on Foreign Relations:** Committee held hearings on H.R. 12563, providing for participation of the U.S. in the Asian Development Bank, having as its witnesses Eugene Black, Adviser to the President on South-east Asian Economic and Social Development; Joseph W. Barr, Under Secretary of the Treasury; and David E. Bell, Administrator, Agency for International Development.

Hearings were recessed subject to call.

### POPULATION CONTROL

**Committee on Government Operations:** Subcommittee on Foreign Aid Expenditures resumed its hearings on S. 1676, proposing certain reorganizations within the Departments of State and HEW relating to population control problems, receiving testimony from Senator McGovern; Richard W. Reuter, Special Assistant to the Secretary of State for Food-for-Peace program; and Edwin L. Harper, a guest scholar at the Brookings Institution Center for Advanced Study.

Hearings continue on Wednesday, February 23.

### ON-THE-JOB TRAINING

**Committee on Labor and Public Welfare:** The Employment and Manpower Subcommittee resumed its hearings in connection with employer encouragement of on-the-job training, having as its witness Secretary of Labor W. Willard Wirtz.

Subcommittee will hold hearings tomorrow on pending bill to provide Federal aid to Menominee County, Wis.

# House of Representatives

## Chamber Action

**Bills Introduced:** 39 public bills, H.R. 12831-12869; 18 private bills, H.R. 12870-12887; and 6 resolutions, H.J. Res. 836-839, H. Con. Res. 594, and H. Res. 735, were introduced.

Pages 3042, 3169-3170

**Bill Reported:** One report was filed as follows: H.R. 9302, a private bill, amended (H. Rept. 1290).

Page 3169

**Committee Resignation:** Received and read a letter of resignation of Representative Smith of New York from membership on the Committee on Interior and Insular Affairs.

Page 3042

**Committee Appointment:** Adopted H. Res. 735, appointing Representative Smith of New York to the Committee on the Judiciary.

Page 3042

**Private Calendar:** Passed the following bills on the call of the Private Calendar:

Sent to the Senate without amendment: H.R. 6663.

Sent to the Senate, amended: S. 577, 851, 1520, H.R. 1903, 5007, 5552, 8937, 10994, and 11271.

Passed over without prejudice: H.R. 4926, 5838, 7141, and 8865.

Pages 3045-3047

**Funeral Committee:** The Speaker appointed as members of the funeral committee for Representative Thomas the following Members of the House: Repre-



representatives Patman, Mahon, Kirwan, Poage, Whitten, Fisher, Holifield, Rooney of New York, Fogarty, Price, Teague of Texas, Burleson, Evins, Passman, Thompson of Texas, Steed, Bow, Rogers of Texas, Dowdy, Boland, Brooks, Hosmer, Jonas, Laird, Rhodes of Arizona, Flood, Denton, Minshall, Wright, Beckworth, Young, Casey, Giaimo, Morris, Shipley, Gonzalez, Purcell, Roberts, Pool, Pickle, Cabell, de la Garza, and White of Texas.

Page 3042

**Child Abuse:** House disagreed to Senate amendments to H.R. 10304, to provide for the mandatory reporting by physicians and institutions in the District of Columbia of certain physical abuse of children; requested a conference with the Senate; and appointed as conferees Representatives Multer, Abernethy, Smith of Virginia, Springer, and Nelsen.

Page 3047

**Dangerous Weapons:** House disagreed to Senate amendments to H.R. 9985, to provide for the mandatory reporting by physicians and hospitals or similar institutions in the District of Columbia of injuries caused by firearms or other dangerous weapons; requested a conference with the Senate; and appointed as conferees Representatives Abernethy, Multer, and Harsha.

Page 3048

**Deeds of Trust:** House disagreed to Senate amendments to H.R. 647, to permit the appointment of new trustees in deeds of trust in the District of Columbia by agreement of the parties; requested a conference with the Senate; and appointed as conferees Representatives Multer, Abernethy, Smith of Virginia, Springer, and Nelsen.

Page 3048

**Premarital Examinations:** House disagreed to Senate amendments to H.R. 3314, to require premarital examinations in the District of Columbia; requested a conference with the Senate; and appointed as conferees Representatives Whitener, Williams, Horton, and Roudebush.

Page 3048

**Legislative Program:** The majority leader announced that S. 1666, regarding appointment of additional Federal circuit and district judges, previously scheduled this week would not be considered until a later date.

Page 3048

**Wind River Project:** House adopted by a voice vote H.J. Res. 343, to cancel any unpaid reimbursable construction costs of the Wind River Indian irrigation project, Wyoming, chargeable against certain non-Indian lands.

This passage was subsequently vacated and S.J. Res. 9 was passed in lieu after being amended to contain the House-passed language.

H. Res. 733, the rule under which the legislation was considered, was adopted earlier by a voice vote.

Pages 3048-3049, 3052-3054

**Otoe-Missouria Tribe:** House adopted by a voice vote, with a committee amendment, H.R. 10674, to provide

for the disposition of funds appropriated to pay a judgment in favor of the Otoe and Missouria Tribe of Indians.

H. Res. 732, the rule under which the legislation was considered, was adopted earlier by a voice vote.

Pages 3049, 3054-3055

**Cape Lookout:** House adopted by a voice vote, with committee amendments, H.R. 1784, to provide for the establishment of the Cape Lookout National Seashore in the State of North Carolina.

This passage was subsequently vacated and S. 251 was passed in lieu after being amended to contain the House-passed language.

H. Res. 731, the rule under which the legislation was considered, was adopted earlier by a voice vote.

Pages 3049-3050, 3055-3061

**Program for Thursday:** Adjourned at 3:46 p.m. until Thursday, February 17, 1966, at 12 o'clock noon.

## Committee Meetings

### WAR ON HUNGER

**Committee on Agriculture:** Continued hearings on the world population explosion and war on hunger program. Testimony was heard from public witnesses.

### MILITARY APPROPRIATIONS

**Committee on Armed Services:** Met in executive session and continued hearings on H.R. 12334, to authorize appropriations during the fiscal year 1966 for procurement of aircraft missiles, naval vessels, and tracked combat vehicles, and research, development, test, and evaluation for the Armed Forces; and H.R. 12335, to authorize certain construction in support of military activities in southeast Asia. Testimony was heard from Stanley Resor, Secretary of the Army; and Gen. Harold K. Johnson, Chief of Staff, U.S. Army.

### FEDERAL DEPOSIT INSURANCE CORPORATION

**Committee on Banking and Currency:** Subcommittee on Bank Supervision and Insurance met in executive session and approved for full committee action H.R. 120 (amended), to provide that no member of the Board of Directors of the Federal Deposit Insurance Corporation shall hold any other public office or position.

### D.C. BUSINESS

**Committee on the District of Columbia:** Met in executive session and disagreed to Senate amendments to the following House-passed bills:

H.R. 647, to permit the appointment of new trustees in deeds of trust in the District of Columbia by agreement of the parties;

H.R. 3314, to require premarital examinations in the District of Columbia;

H.R. 9985, to provide for the mandatory reporting by physicians and hospitals or similar institutions in the







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Issued Feb. 28, 1966  
For actions of Feb. 25th & 26th, 1966  
89th-2nd; Nos. 33 & 34

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HIGHLIGHTS: Sen. Yarborough commended and proposed amendments to Food for freedom bill. Sen. Proxmire inserted editorial critical of school milk budget cut. Sen. Pearson criticized agricultural research budget cut.

## SENATE - Feb. 25

1. FOREIGN TRADE. The Finance Committee reported with amendments H. R. 6568, to amend the Tariff Act so as to make permanent the existing temporary suspension of duty on copra, palm nuts, and palm-nut kernels, and the oils crushed therefrom (S. Rept. 1009). p. 3919
2. FOOD FOR FREEDOM. Sen. Yarborough commended the President's Food for Freedom bill and proposed two amendments to the bill to add a provision of "family planning services" to the items that the President shall take into account as evidence of self-help on the part of a recipient nation, and to provide that not

less than 15 percent of the currencies which accrue from foreign currency sales may be used for "financing programs emphasizing maternal, child health, and nutrition, and family planning services, and research activities related to the problems of population growth." pp. 3937-8

3. RESEARCH. Sen. Pearson stated "the agricultural research community is deeply disturbed because of the administration's proposal to reduce sharply the funds for their work," and inserted an editorial critical of the budget cuts. p. 3974
4. SCHOOL MILK; SCHOOL LUNCH. Sen. Proxmire inserted an editorial critical of the President's "recommended budget slashes for the school milk and school lunch programs." p. 3952
5. TOBACCO. Sen. Neuberger expressed concern over the possible hazards of smoking on health, particularly to women, and inserted several items on the subject. pp. 3956-9
6. FOREIGN AID. Sen. Cannon inserted an article discussing the Administration's plans for foreign aid to South Vietnam stating that "If one were asked to draw up a blueprint for social and land reform" the specialists accompanying Secretary Freeman to South Vietnam would be the first to be consulted. pp. 3973-4
7. NOMINATION. Confirmed the nomination of Jack Hood Vaughn to be Director of the Peace Corps. pp. 3949-51
8. WATER POLLUTION. Sen. Inouye commended the President's proposal to transfer the Federal Water Pollution Control Administration from HEW to Interior as "the logical next step in the fight to clean up our waters and to keep them clean." p. 3954
9. LOANS. Sen. Douglas inserted an American Veterans Committee resolution endorsing S. 2275, the proposed truth-in-lending bill. p. 3969

SENATE - Feb. 26

The Senate met briefly but transacted no business of special interest.

ITEMS IN APPENDIX

10. WILDLIFE. Extension of remarks of Sen. Yarborough urging the preservation of the Big Thicket area in Texas as a wildlife preserve and inserting an article, "Nature Abounds in Big Thicket." pp. A996-7
11. HIGHWAY BEAUTIFICATION. Extension of remarks of Sen. Randolph commending and inserting Mrs. Johnson's speech on highway beautification. pp. A987-9
12. MILK. Rep. O'Neill, Mass., inserted an editorial critical of the proposed cut for the "special milk and national lunch program." p. A989
13. OPINION POLL. Rep. Moss inserted an article, "Poll Results on L.B.J. Reforms Are Fantastic," indicating that 72% of the people do not want the domestic programs reduced. pp. A990-1

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TARIFF TREATMENT OF COPRA, PALM NUTS, AND  
PALM-NUT KERNELS, AND THE OILS CRUSHED  
THEREFROM

---

FEBRUARY 25, 1966.—Ordered to be printed

---

Mr. LONG of Louisiana, from the Committee on Finance, submitted  
the following

R E P O R T

[To accompany H.R. 6568]

The Committee on Finance, to which was referred the bill (H.R. 6568) to amend the Tariff Act of 1930 to make permanent the existing temporary suspension of duty on copra, palm nuts, and palm-nut kernels, and the oils crushed therefrom, and for other purposes, having considered the same, reports favorably thereon with amendments and recommends that the bill as amended do pass.

PURPOSE OF BILL AS AMENDED

This bill would make permanent the duty-free treatment or lower rates of duty temporarily applicable to copra, palm nuts, and palm-nut kernels, their oils, and specified fatty acids, salts, and other chemical products derived from the oils. The temporary duty-free treatment or lower rates applicable to these products (presently scheduled to expire June 30, 1966) reflect the suspension of the 3-cent-per-pound processing tax formerly applicable to such commodities under section 4511 of the Internal Revenue Code. This tax was converted to an import duty in 1963, but its suspension, first provided in 1957, was continued.

In addition to repealing the duty equivalent of the former 3-cent-per-pound processing tax, H.R. 6568 would also provide relief with respect to certain coconut oil imported on or before June 11, 1965. This oil was released from customs custody as being within the duty-free quota provided for pursuant to the Philippine trade agreement. By increasing the quota for 1965, the House bill would have assured relief from the 1-cent-per-pound duty with respect to this oil. The Finance Committee bill similarly insures that this oil will not be considered overquota.



## PROVISIONS OF HOUSE BILL DELETED

Except to the limited extent described in the preceding paragraph, the Committee on Finance deleted those provisions of the House bill which would have—

(a) Increased the 1965 duty-free quota for Philippine coconut oil from 120,000 tons to 160,000 tons, and

(b) Permitted a similar increase in the quota for 1966 and 1967 if the President determined that for these 2 years the Philippines had waived its right to preferential treatment on Philippine copra as provided for under the Philippine trade agreement. In such an event copra from all non-Communist countries (presently dutiable at 1.25 cents per pound) could have entered the United States free of duty during 1966 and 1967.

## GENERAL STATEMENT

*History of processing taxes and duties*

The Revenue Act of 1934 imposed a tax of 3 cents per pound on the first domestic processing of coconut oil and combinations or mixtures containing a substantial quantity of coconut oil, if the product of or produced from materials the product of the Philippines or any U.S. possession; otherwise, the tax was 5 cents per pound. A tax of 3 cents per pound was also imposed on the first domestic processing of palm-kernel oil and palm oil (except palm oil used in the manufacture of iron or steel products, tinplate or terne plate, or any subsequent use of palm oil residue resulting from the manufacture of iron or steel products, tinplate or terne plate), and on derivatives (fatty acids, salts, etc.) of palm oil and palm-kernel oil. The Philippine Trade Act of 1946 provided that the 3-cent-per-pound rate, rather than the 5-cent-per-pound rate, was to apply to non-Philippine coconut oil during any period as to which the President finds that adequate supplies of neither copra nor coconut oil, the product of the Philippines, are readily available for processing in the United States.

The processing tax provisions were carried over into the Internal Revenue Code of 1954 as section 4511.

In the 1955 revised trade agreement with the Philippines, the United States undertook an obligation to maintain the 2-cent-per-pound preferential duty differential in the "internal" (processing) tax between Philippine coconut oil and non-Philippine oil. The proportionate differential on copra is 1.25 cents per pound.

Aside from the processing taxes, which were technically "internal" taxes, paragraph 54 of the original tariff schedules of the Tariff Act of 1930 imposed a duty of 2 cents per pound on coconut oil and a duty of 1 cent per pound on palm-kernel oil fit for human consumption. No duty was imposed on copra or on palm oil. Pursuant to the General Agreement on Tariffs and Trade, effective January 1, 1948, the 2-cent-per-pound tariff on coconut oil was reduced to 1 cent and the 1-cent-per-pound duty on palm-kernel oil was reduced to 0.5 cent.

Because the processing taxes above referred to operated economically as import duties (none of the raw materials, i.e., copra, palm nuts, or palm kernels, are produced in the United States), they were assimilated into the TSUS and consolidated with regular duties, where applicable. IRC section 4511 was repealed. However, though



for all other purposes the processing taxes were converted into regular import duties, the U.S. obligation to the Philippines to maintain a 2-cent preferential differential in the "internal" tax on these products necessitated the continued treatment of those portions of the duties that were derived from the processing taxes as "internal taxes" for the purposes of the Philippine trade agreement (TSUS schedule 1, pt. 14, headnote 3).

The processing taxes were imposed in 1934 principally to protect domestically produced vegetable oils in their use in the production of edible products such as margarine. Because the major use in the United States of coconut oil (the principal oil involved) shifted to the indelible industrial sector (soaps, detergents, etc.) and because of the consequent decline in competition between coconut oil and domestic vegetable oils, the 3-cent-per-pound processing tax on coconut oil and its derivatives was suspended in 1957 until July 1, 1960 (Public Law 85-235, sec. 3). That legislation was followed by the suspension in 1959, also until July 1, 1960, of the processing taxes on palm oil and palm-kernel oil and their derivatives (Public Law 86-37). The suspension of all these taxes was continued until July 1, 1963 (Public Law 86-432), and further continued until July 1, 1966 (Public Law 87-859). The current suspension of the taxes is reflected in part 1 of the appendix to the TSUS (items 903.30-903.32, relating to copra; item 903.40, relating to palm-nut kernels and palm nuts; items 903.43-903.49, relating to coconut oil; items 903.60-903.61, relating to palm-kernel oil; item 903.65, relating to palm oil; and items 907.70-907.75, item 907.77, and items 907.85-907.88, relating to various derivatives of coconut, palm-kernel, or palm oil).

The regular duty on coconut oil (1 cent per pound since 1948) has remained in effect throughout the period of the suspension of the processing taxes, except with respect to imports of Philippine coconut oil within specified quotas. Under the 1955 revision of the trade agreement with the Philippines, Philippine coconut oil has been subject to progressively declining duty-free quotas, overquota imports being subject to the 1-cent-per-pound duty. The basic quota was 200,000 long tons, which by 1962 had declined to 160,000 long tons. Until 1962 the 1-cent-per-pound duty on overquota imports was inoperative because the quotas on Philippine coconut oil exceeded the imports in each quota year. A sharp rise in U.S. consumption in 1963 caused the quota (160,000 long tons) to be filled by November 1, 1963. The 1964 quota (same quantity as 1963) was filled by August of that year. For the years 1965 through 1967 the quota is reduced to 120,000 long tons per annum. The 1965 quota was filled in May. In 1968 the duty-free quota will decline to 80,000 long tons and will remain at that quantity through 1970; for the years 1971-73 the annual quota will be 40,000 long tons; and on January 1, 1974, all preferential tariff treatment of Philippine coconut oil is scheduled to terminate. Thereafter coconut oil from any non-Communist source may be imported on a nondiscriminatory basis upon payment of the 1-cent-per-pound duty.

#### *Background of bill*

Coconut oil, palm oil, and palm-kernel oil is produced from copra, palm nuts, and palm-nut kernels, respectively. There is no domestic production of the materials from which the oil is produced. The entire domestic supply of palm and palm-kernel oil is obtained from

imports. The U.S. supply of coconut oil comes almost in equal shares from imported coconut oil or from oil crushed in the United States from imported copra. Virtually all of the imports (whether copra or oil) come from the Philippines. The virtual Philippine monopoly of the U.S. market for coconut oil and copra is attributed to the 2-cent-per-pound preferential duty differential between Philippine and non-Philippine coconut oil and the proportionate differential for copra of 1.25 cents per pound.

While there has been unanimous agreement among domestic consumers of coconut oil on the one hand and U.S. copra crushers on the other hand as to the desirability of repealing the duty equivalent of the original 3-cent-per-pound tax, there has been no similar consensus as to the merits of any other change in the tariff treatment of this oil or of the copra from which it is crushed.

The House bill attempted to resolve the differences between these two important segments of our economy. By providing an increased duty-free quota for Philippine coconut oil for 1965, and by providing for contingent increases in 1966 and 1967, the House bill accepted the argument that the 1-cent-per-pound tariff might cause a shift in the United States to synthetic oils for industrial purposes which could lead in time to increased shipments of Philippine coconut oil to Europe where it would compete directly with U.S.-produced soybean (and other) oil in the edible oil markets.

On the other hand, by linking the increased quota to suspension of the Philippine duty preference on copra (1.25 cents per pound) the House bill tried to provide a benefit for domestic crushers who seek additional sources of supply for their raw product, copra. Because of their preference under the trade agreement the Philippines is virtually our sole supplying country.

But these provisions were considered to be of little benefit by domestic copra crushers. The committee was advised that at least 7 years are needed to bring new coconut palms to producing age and the 2-year period provided by the House bill would be inadequate to enable them to develop new sources of supply for copra. Moreover, the House provisions, in effect, would have extended tariff concessions (in the form of higher duty-free quotas) to the Philippines without our receiving any comparable concession in return.

Domestic consumers similarly found little assurance in the contingent features of the House bill. The increased quota for 1966 and 1967 would have depended upon action of a foreign government which was at best uncertain, and which it might have found to be contrary to its own best long-term interests.

The committee was also advised that enlarging the duty-free quota for the Philippines would be inconsistent with the policy of the United States of stimulating world trade on a nondiscriminatory basis. The Office of the Special Representative for Trade Negotiations reported:

This Government has consistently supported nondiscrimination in international trade and the progressive dismantling of residual discriminatory measures. Accordingly, the trade agreement between the United States and the Republic of the Philippines provides for the progressive reduction and eventual elimination of the duty-free quota



on imports of Philippine coconut oil, as well as of the preferential tariff rates on imports of all Philippine products.

The provision of H.R. 6568 for a 3-year expansion of the duty-free quota on imports of Philippine coconut oil would not only halt but would reverse this movement toward the elimination of discrimination and would expand the trade coverage subject to preferential tariff treatment. In addition, it could precipitate pressure for a further extension of broadening of the preferential treatment for Philippine coconut oil subsequent to 1967, when under the provisions of the trade agreement the duty-free quota for Philippine coconut oil would drop sharply from 160,000 to 80,000 tons.

The Commerce Department reported similar views to the committee, and it understands they are shared also by the Department of Agriculture.

For these reasons, the committee concluded that in the interest of assuring enactment of legislation to repeal that portion of the tariff attributable to the 3-cent-per-pound processing tax, it would be advisable to limit the House bill to that objective. Accordingly, the committee bill deletes those features of the House bill which would have (1) increased the duty-free quota for 1965 and (2) provide for increased duty-free quotas for 1966 and 1967 along with suspension for those years of the 1.25-cent-per-pound preferential tariff on non-Philippine copra.

#### *1965 quota*

As already indicated, under the Philippine trade agreement, provision is made for duty-free entry for a progressively diminishing quantity of Philippine coconut oil. In 1963 and 1964 the duty-free quota amounted to 160,000 tons. Under present law for 1965 through 1967, the duty-free quota is 120,000 tons. Importers were advised that the quota for 1965 would be filled on or about June 11, and ports of entry were notified not to release Philippine coconut oil duty free after that date. Subsequently, in the fall, it was found that the 1965 quota actually had been filled on May 17, 1965. The Commissioner of Customs advised the committee by letter dated January 28, 1966, that—

Between May 17 and June 11, there was a total of 28,308,955 pounds of coconut oil that had been released duty free on which duty at the rate of 1 cent per pound would have to be collected for a total of \$283,089.55. This involves shipments covered by 13 separate entries filed at various ports of entry and covering shipments consigned to 7 importing firms, which are subject to the payment of duty averaging from a low of \$6,550.90 to a high of \$141,574.12.

In view of the financial burden that would be placed on these individual importers through no fault of their own, and in view of the pending legislation, H.R. 6568, the collection of these duties has been deferred administratively until June 30, 1966.

The House of Representatives, without knowing of this quota problem, and for completely different reasons, would have provided an increased quota for 1965 sufficiently large to assure that oil imported in this period would be within-quota oil.

Generally, an importer of articles subject to a quota acts at his peril when he clears the article through customs. If it is an absolute quota the article may not be imported under any circumstances if the quota is filled. On the other hand, if a tariff quota is involved, higher duties may apply if the imported article should come in after the quota is filled.

The committee recognizes that no one can unfailingly foretell the day or the hour upon which a quantitative quota will fill. That event depends upon the individual actions of numerous independent importers at many ports of entry. While the committee feels that importers should act at their risk when operating against a quota, it also feels that the unusual circumstances involved in this coconut oil situation during the limited period referred to warrant relief.

Accordingly, the committee bill contains provisions which would increase the quota for 1965 by 28,308,955 pounds. In addition, the committee expects that the Bureau of Customs will continue to advise all inquirers of the status of a quota, based upon the latest available data. It also admonishes the Bureau to continue to point out that it is not possible to predict accurately when a quota will fill and there can be no guarantee that any future entry will come under the quota. Importers should be strongly cautioned that when they import against a quota they do so at their peril.

#### DEPARTMENTAL REPORT

The following report received from the Commerce Department indicates the need for the bill as amended by the committee:

GENERAL COUNSEL OF THE  
DEPARTMENT OF COMMERCE,  
*Washington, D.C., February 21, 1966.*

Hon. RUSSELL B. LONG,  
*Chairman, Committee on Finance,*  
*U.S. Senate, Washington, D.C.*

DEAR MR. CHAIRMAN: This is in further reply to your request for the views of this Department on H.R. 6568, an act to amend the Tariff Act of 1930 to make permanent the existing temporary suspension of duty on copra, palm nuts, and palm-nut kernels, and the oils crushed therefrom, and for other purposes.

Under current provisions a portion of the duty on copra, palm nuts, palm kernels, and their products consists of 3 cents per pound of oil content. In the case of copra, it amounts to 1.87 cents per pound. This portion of the duty which replaced the oil processing tax has been suspended until June 30, 1966. Coconut oil from the Philippines is currently dutiable at 1 cent per pound only when entered in excess of the annual quota.

Section 1 of H.R. 6568 would eliminate this 3-cent "processing tax component" of the duty. Section 2 would increase the duty-free quota for Philippine coconut oil in 1965, 1966, and 1967. It would also suspend through 1967 the balance of the duty on copra (other than the 1.87 cents) thereby providing duty-free entry for copra from all sources through 1967. However, the increase in the Philippine oil quota for 1966 and 1967 and the suspension of duty on copra from all sources would be contingent on a Philippine waiver of the U.S.



obligation under a Philippine-United States trade agreement to maintain duty on copra from other countries at 1.25 cents per pound.

The Department favors the elimination of duty on these products to the benefit of U.S. industrial consumers but is opposed to those portions of the act which could damage our commercial interests or adversely affect our domestic crushing industry which processes copra into coconut oil. Section 1 of H.R. 6568 by eliminating the "oil processing tax component" of the duty does not discriminate against domestic crushers because they would enjoy a proportionate duty reduction of 1.87 cents per pound of copra. If this portion of the duty were reimposed after June 30, 1966, it would likely result in American consumers shifting to synthetic oil substitutes to the detriment of domestic crushers. Philippine coconut oil would then be diverted to the European market where it would compete with U.S. exports of soybean and cottonseed oil products. For these reasons the Department urges prompt repeal of the 3-cent "oil processing tax component" of the duty as provided under section 1 of the act.

However, the Department opposes the increase in the duty-free quota for Philippine coconut oil and the suspension of duty on copra as proposed in section 2 of the act.

The proposed temporary increase in the tariff quota on Philippine coconut oil provided for in section 2 of H.R. 6568 is linked by the proposed Philippine preference waiver to the suspension of the 1.25-cent-per-pound duty on copra from sources other than the Philippines. The Department recognizes that the intent of section 2 is to accommodate the interests of both the domestic crushers of copra and the consumers of coconut oil. However, the 1-cent-per-pound rate of duty applicable to overquota imports does not appear to have a serious impact on the competitive position of Philippine coconut oil in the U.S. market. Thus, the slight advantage to domestic oil consumers of the proposed increase in duty-free imports of coconut oil would not offset the disadvantage to domestic crushers that could result from such increased oil imports. Moreover, the domestic crusher would not benefit from a duty suspension on other than Philippine copra since no significant sources of copra outside the Philippines are currently available.

On balance, we believe that the interests of domestic copra crushers and industrial consumers of coconut oil would be best served by the deletion of section 2 of H.R. 6568.

The Department urges prompt enactment of H.R. 6568 if amended in accordance with the above comments.

We have been advised by the Bureau of the Budget that there would be no objection to the submission of this report from the standpoint of the administration's program.

Sincerely yours,

ROBERT E. GILES.

## CHANGES IN EXISTING LAW

In compliance with subsection (4) of rule XXIX of the Standing Rules of the Senate, changes in existing law made by the bill, as reported, are shown as follows (existing law proposed to be omitted is enclosed in black brackets, new matter is printed in *italic*, existing law in which no change is proposed is shown in roman):

## TARIFF ACT OF 1930

## TITLE I—TARIFF SCHEDULES OF THE UNITED STATES

\*            \*            \*            \*            \*            \*            \*

## SCHEDULE 1.—ANIMAL AND VEGETABLE PRODUCTS

\*            \*            \*            \*            \*            \*            \*

## PART 14.—Animal and Vegetable Oils, Fats, and Greases

Part 14 headnotes:

1. If, at any time prior to July 4, 1974, the President, after consultation with the President of the Philippine Republic, finds that adequate supplies of neither copra nor coconut oil, the product of the Philippines, are readily available for processing in the United States, he shall issue a special proclamation so proclaiming, and the provisions of items 175.10 through 175.12 of subpart A and of items 176.07 through 176.13 of subpart B of this part shall become inoperative with respect to products entered after the date of such proclamation and before the expiration of 30 days after he proclaims that, after consultation with the President of the Philippine Republic, he finds that adequate supplies of such copra or coconut oil are readily available for processing in the United States.

2. Copra, the product of the Trust Territory of the Pacific Islands, 61 Stat. 397 (hereinafter referred to in this part as the Trust Territory) or produced wholly from materials the growth or production thereof (items 175.11 and 175.12) and coconut oil, the product of the Trust Territory, or produced wholly from materials the growth or production thereof (items 176.08, 176.09, 176.10, 176.12 and 176.13) shall be subject to additional duties of 1.25¢ per pound and 2¢ per pound, respectively, to such extent, and at such time after the date of the applicable proclamation, as the President, after taking into account the responsibilities of the United States with respect to the economy of the Trust Territory, shall determine and proclaim to be justified to prevent substantial injury or the threat thereof to the competitive trade of any country of the free world.

3. For the purposes of the exclusive trade agreement between the United States and the Republic of the Philippines, the rates of duty in subpart A on copra [ , palm-kernel nuts and palm nuts, and a 3-cent part of each of the rates of duty in subpart B on coconut oil, palm-kernel oil and palm oil ] shall be deemed to be an "internal tax" rather than an "ordinary customs duty".

SUBPART A.—OIL-BEARING VEGETABLE MATERIALS <sup>1</sup>

## Subpart A headnote:

1. This subpart covers oil-bearing seeds and other oil-bearing vegetable materials.

Item	Articles	Rates of duty	
		1	2
*	* * * *	*	*
175.09	Copra: Entered during the effective period of special proclamation issued pursuant to headnote 1 of this part, or entered after July 3, 1974-----	<b>[1.87¢ per lb.]</b> <i>Free</i>	<b>[1.87¢ per lb.]</b> <i>Free</i>
175.10	Entered on or before July 3, 1974, when no such special proclamation is in effect-----	<b>[3.12¢ per lb.<sup>1</sup>]</b> <i>1.25¢ per lb.</i>	<b>[3.12¢ per lb.<sup>1</sup>]</b> <i>1.25¢ per lb.</i>
175.11	If product of the Philippines or of the Trust Territory-----	<b>[1.87¢ per lb.<sup>1</sup>]</b> <i>Free</i>	
175.12	If produced elsewhere than in the Philippines or the Trust Territory wholly of materials the growth or production thereof-----	<b>[1.87¢ per lb.<sup>1</sup>]</b> <i>Free</i>	<b>[1.87¢ per lb.<sup>1</sup>]</b> <i>Free</i>
*	* * * *	*	*
175.27	Palm-nut kernels-----	1.35¢ per lb. <sup>2</sup>	1.35¢ per lb. <sup>2</sup>
175.30	Palm nuts-----	0.35¢ per lb. <sup>2</sup>	0.35¢ per lb. <sup>2</sup>
175.28	Palm-nut kernels and palm nuts-----	<i>Free</i>	<i>Free</i>
*	* * * *	*	*
<sup>1</sup> Subtract 1.87¢ per lb. from this rate for copra entered on or before June 30, 1966. See Appendix to Tariff Schedules.			
<sup>2</sup> Palm-nut kernels and palm nuts entered on or before June 30, 1966, are free of duty. See Appendix to Tariff Schedules.			

SUBPART B.—VEGETABLE OILS, CRUDE OR REFINED <sup>1</sup>

## Subpart B headnotes:

1. This subpart covers all expressed or extracted vegetable oils, whether crude or subjected to refining processes, but does not cover any of such products which have been artificially mixed or which have been sulfonated, sulfated, hydrogenated, or processed otherwise than by refining. This subpart also covers vegetable tallow.

2. Coconut oil, which is a Philippine article, is entitled to the preferential rates of duty prescribed in items 176.05, 176.08 and 176.12 of this subpart if entered on or before December 31, 1973, but the total aggregate quantity entered under these items during each calendar year shall not exceed—

- (a) 160,000 tons during calendar years 1963 through 1964,
- (b) 120,000 tons during calendar years 1965 through 1967,
- (c) 80,000 tons during calendar years 1968 through 1970, and
- (d) 40,000 tons during calendar years 1971 through 1973.

\* \* \* \* \*

<sup>1</sup> Imports of certain products in this subpart are subject to additional import restrictions. See appendix to tariff schedules.

Item	Articles	Rates of duty	
		1	2
176.04	Coeonut oil: Entered during the effective period of special proclamation issued pursuant to headnote 1 of this part, or entered after July 3, 1974 <sup>1</sup> -----	<b>【4¢ per lb.】</b> <i>1¢ per lb.</i>	<b>【5¢ per lb.】</b> <i>2¢ per lb.</i>
176.05	If product of the Philippines or of the Trust Territory: If Philippine article within tariff-rate quota (see headnote 2 of this subpart), or if Trust Territory article, entered on or before July 3, 1974-----	<b>【3¢ per lb.】</b> <i>Free.</i>	
176.06	Other-----	<b>【4¢ per lb.】</b> <i>1¢ per lb.</i>	
176.07	Entered on or before July 3, 1974, when no special proclamation issued pursuant to headnote 1 of this part is in effect: Crude-----	<b>【6¢ per lb.²】</b> <i>3¢ per lb.</i>	<b>【7¢ per lb.²】</b> <i>4¢ per lb.</i>
176.08	If product of the Philippines or of the Trust Territory: If Philippine article within tariff-rate quota (see headnote 2 of this subpart), or if Trust Territory article-----	<b>【3¢ per lb.²】</b> <i>Free.</i>	
176.09	Other-----	<b>【4¢ per lb.²】</b> <i>1¢ per lb.</i>	
176.10	If produced elsewhere than in the Philippines or the Trust Territory wholly from materials the growth or production thereof-----	<b>【4¢ per lb.²】</b> <i>1¢ per lb.</i>	<b>【5¢ per lb.²】</b> <i>2¢ per lb.</i>
	<sup>1</sup> Imports of certain products in this subpart are subject to additional import restrictions. See Appendix to Tariff Schedules.		
	<sup>2</sup> Subtract 3¢ per lb. from this rate for coeonut oil entered on or before June 30, 1966. See Appendix to Tariff Schedules.		
176.11	Entered on or before July 3, 1974, etc. (con.): Other than crude-----	<b>【4¢ per lb.¹】</b> <i>1¢ per lb.</i>	<b>【5¢ per lb.¹】</b> <i>2¢ per lb.</i>
176.12	If product of the Philippines or of the Trust Territory: If Philippine article within tariff-rate quota (see headnote 2 of this subpart) or if Trust Territory article-----	<b>【3¢ per lb.¹】</b> <i>Free</i>	
176.13	Other-----	<b>【4¢ per lb.¹】</b> <i>1¢ per lb.</i>	
*	* * * *	*	*
176.32	Palm-kernel oil: Rendered unfit for use as food-----	3¢ per lb.¹	3¢ per lb.¹
176.33	Other-----	3.5¢ per lb.¹	4¢ per lb.¹
176.35	Palm oil: Imported to be used in the manufacture of iron or steel products, or of tin plate or terne plate-----	Free	Free
176.36	Other-----	3¢ per lb.¹	3¢ per lb.¹
176.32	Palm-kernel oil: Rendered unfit for use as food-----	Free	Free
176.33	Other-----	0.5¢ per lb.	1¢ per lb.
176.34	Palm oil-----	Free	Free
*	* * * *	*	*
	<sup>1</sup> Subtract 3¢ per lb. from this rate for coeonut oil, palm-kernel oil or palm oil entered on or before June 30, 1966. See Appendix to Tariff Schedules.		



## SCHEDULE 4.—CHEMICALS AND RELATED PRODUCTS

Item	Articles	Rates of duty	
		1	2
	PART 8.—SURFACE-ACTIVE AGENTS; SOAPS AND SYNTHETIC DETERGENTS		
	Part 8 headnote:		
	1. This part covers surface-active agents, soaps, and synthetic detergents, except those provided for in items 405.30 and 405.35 of part 1C of this schedule. The addition of any product described in part 1 of this schedule to these products as a color, brightener, germicide, deodorizer, whitener, or scent does not affect their classification under this part (8).		
	SUBPART A.—SURFACE-ACTIVE AGENTS		
	Subpart A headnotes:		
	1. The term " <i>surface-active agents</i> ", as used in item 465.95 means synthetic organic chemical compounds, or mixtures thereof, which function as surface tension modifiers and are chiefly used for any one or combination of the following purposes: As detergents, wetting agents, emulsifiers, dispersants, or foaming agents.		
	[2. For the purposes of the exclusive trade agreement between the United States and the Republic of the Philippines, the specific parts of the rates of duty (3¢ per lb.) in items 465.25, 465.35, and 465.65 of this subpart shall be deemed to be an "internal tax" rather than an "ordinary customs duty".]		
	Fatty substances of animal (including marine animal) or vegetable origin:		
	Not sulfonated or sulfated:		
	Fatty-acid esters, ethers, and ether-esters of polyhydric alcohols:		
465.05	Derived from coconut, palm-kernel, or palm oil-----	[4.5¢] 3¢ per lb. + 15% ad val. <sup>1</sup>	[7.5¢] 6¢ per lb. + 30% ad val. <sup>1</sup>
465.10	Other-----	3.75¢ per lb. + 15% ad val.	7.5¢ per lb. + 30% ad val.
	Fatty-acid amides, amines, and quaternary ammonium salts:		
465.15	Derived from coconut, palm-kernel, or palm oil-----	[4.5¢] 3¢ per lb. + 15% ad val. <sup>1</sup>	[7.5¢] 6¢ per lb. + 30% ad val. <sup>1</sup>
465.20	Other-----	3.75¢ per lb. + 15% ad val.	7.5¢ per lb. + 30% ad val.
	<sup>1</sup> Subtract 1.5¢ per pound from the specific part of the rate for products derived from coconut, palm-kernel, or palm oil entered on or before June 30, 1966. See Appendix to Tariff Schedules.		
	Sodium and potassium salts of fats, oils, and greases, and of fatty acids derived therefrom:		
465.25	Derived from coconut, palm-kernel, or palm oil-----	[3¢ per lb. + ] 10% ad val. <sup>1</sup>	[3¢ per lb. + ] 25% ad val. <sup>1</sup>
465.30	Other-----	1.5¢ per lb. + 10% ad val.	3¢ per lb. + 25% ad val.
	Sulfonated or sulfated:		
	Fatty acids and salts of fatty acids:		
465.35	Derived from coconut, palm-kernel, or palm oil-----	[3¢ per lb. + ] 10% ad val. <sup>1</sup>	[3¢ per lb. + ] 25% ad val. <sup>1</sup>
465.40	Other-----	1.5¢ per lb. + 10% ad val.	3¢ per lb. + 25% ad val.
	Fatty alcohols and salts of fatty alcohols:		
465.45	Derived from coconut, palm-kernel, or palm oil-----	[3¢ per lb. + ] 10% ad val. <sup>1</sup>	[3¢ per lb. + ] 25% ad val. <sup>1</sup>
465.50	Other-----	1.5¢ per lb. + 10% ad val.	3¢ per lb. + 25% ad val.
	Fatty-acid esters, ethers, amides, and amines:		
465.55	Derived from coconut, palm-kernel, or palm oil-----	[1.5¢ per lb. + ] 10.5% ad val. <sup>1</sup>	[1.5¢ per lb. + ] 25% ad val. <sup>1</sup>
465.60	Other-----	0.75¢ per lb. + 10.5% ad val.	1.5¢ per lb. + 25% ad val.

# 12      TARIFF—COPRA, PALM NUTS, AND PALM-NUT KERNELS

Item	Articles	Rates of duty	
		1	2
465.65	Fats, oils, and greases, all the foregoing sulfonated or sulfated: Coconut, palm-kernel, and palm oils-----	<b>[3¢ per lb. + ]</b> 14% ad val. <sup>1</sup>	<b>[3¢ per lb. + ]</b> 35% ad val. <sup>1</sup>
*	* * * *	*	*
	<sup>1</sup> The specific part of the rate (3¢ or 1.5¢ per lb.) does not apply to coconut, palm-kernel, or palm oil or products derived therefrom entered on or before June 30, 1966. See Appendix to Tariff Schedules.		
	PART 13.—FATTY SUBSTANCES, CAMPHOR, CHARs AND CARBONS, ISOTOPES, WAXES, AND OTHER PRODUCTS		
	Part 13 headnote:		
	1. Any product described in this part and also in part 1 of this schedule is classifiable under the said part 1, except any product provided for in item 493.10, 493.75, 494.50, 494.52, or 494.60, and except any product provided for in subpart C of this part.		
	SUBPART A.—FATTY SUBSTANCES		
	<b>[Subpart A headnote:]</b> -----		
	<b>[1.</b> For the purposes of the exclusive trade agreement between the United States and the Republic of the Philippines, the specific parts of the rates of duty (3¢ per lb.) in items 490.24 and 490.48 of this subpart shall be deemed to be an "internal tax" rather than an "ordinary customs duty". <b>]</b>		
*	* * * *	*	*
	Fatty substances, not sulfonated or sulfated, and not specially provided for:		
*	* * * *	*	*
	Fatty acids:		
	Of vegetable origin:		
490.20	Derived from linseed oil-----	4.5¢ per lb.+ 10% ad val.	4.5¢ per lb.+ 20% ad val.
490.22	Derived from hempseed, kapok, perilla, rapeseed, sesame, or sunflower oil-----	2.25¢ per lb.+ 10% ad val.	4.5¢ per lb.+ 20% ad val.
490.24	Derived from coconut, palm-kernel, or palm oil-----	<b>[3¢ per lb.+]</b> 10% ad val. <sup>1</sup>	<b>[3¢ per lb.+]</b> 20% ad val. <sup>1</sup>
490.26	Other-----	10% ad val.	20% ad val.
*	* * * *	*	*
	<sup>1</sup> The specific part of the rate (3¢ per lb.) does not apply to fatty acids derived from coconut, palm-kernel, or palm oil entered on or before June 30, 1966. See Appendix to Tariff Schedules.		
	Of vegetable origin:		
*	* * * *	*	*
490.48	Derived from coconut, palm-kernel, or palm oil-----	<b>[3¢ per lb.+]</b> 10% ad val. <sup>1</sup>	<b>[3¢ per lb.+]</b> 25% ad val. <sup>1</sup>
490.50	Other-----	10% ad val.	25% ad val.
	Fatty alcohols of animal (including marine animal) or vegetable origin:		
490.65	Oleyl-----	2.5¢ per lb.+ 12.5% ad val.	6¢ per lb.+ 30% ad val.
	Other:		
490.73	Derived from coconut, palm-kernel, or palm oil-----	<b>[3¢ per lb.+]</b> 10.5% ad val. <sup>1</sup>	<b>[3¢ per lb.+]</b> 25% ad val. <sup>1</sup>
490.75	Other-----	10.5% ad val.	25% ad val.

Item	Articles	Rates of duty	
		1	2
490.90	Esters: Of animal (including marine animal) origin.....	0.75¢ per lb. + 10.5% ad val.	1.5¢ per lb. + 25% ad val.
490.92	Of vegetable origin: Derived from coconut, palm-kernel, or palm oil.....	<b>[1.5¢ per lb. +]</b> 10.5% ad val. <sup>2</sup>	<b>[1.5¢ per lb. +]</b> 25% ad val. <sup>2</sup>
490.94	Other.....	10.5% ad val.	25% ad val.
*	* * * *	*	*

<sup>1</sup> The specific part of the rate (3¢ per lb.) does not apply to salts and alcohols derived from coconut, palm-kernel, or palm oil entered on or before June 30, 1966. See Appendix to Tariff Schedules.

<sup>2</sup> The specific part of the rate (1.5¢ per lb.) does not apply to esters derived from coconut, palm-kernel, or palm oil entered on or before June 30, 1966. See Appendix to Tariff Schedules.

\* \* \* \* \*

## APPENDIX TO THE TARIFF SCHEDULES

\* \* \* \* \*

### PART 1.—TEMPORARY LEGISLATION

#### SUBPART B.—TEMPORARY PROVISIONS AMENDING THE TARIFF SCHEDULES

\* \* \* \* \*

Item	Articles	Rates of duty		Effective period
		1	2	
903.30	Copra (provided for in part 14A, schedule 1): Entered when no special proclamation issued pursuant to headnote 1 of part 14 of schedule 1 is in effect (item 175.10).....	1.25¢ per lb.	1.25¢ per lb.	On or before 6/30/66
903.31	If product of the Philippines or of the Trust Territory (item 175.11).....	Free	Free	
903.32	If produced elsewhere than in the Philippines or the Trust Territory wholly of materials the growth or production thereof (item 175.12).....	Free	Free	
903.40	Palm-nut kernels and palm nuts (provided for in items 175.27 and 175.30, respectively, part 14A, schedule 1) Coconut oil (provided for in part 14B of schedule 1): Entered when no special proclamation issued pursuant to headnote 1 of part 14 of schedule 1 is in effect:	Free	Free	On or before 6/30/66 On or before 6/30/66
903.43	Crude (item 176.07).....	3¢ per lb.	4¢ per lb.	
903.44	If product of the Philippines or of the Trust Territory: If Philippine article within tariff-rate quota (see headnote 2 of part 14B of schedule 1) or if Trust Territory article (item 176.08).....	Free		
903.45	Other (item 176.09).....	1¢ per lb.		
903.46	If produced elsewhere than in the Philippines or the Trust Territory wholly from materials the growth or production thereof (item 176.10).....	1¢ per lb.	2¢ per lb.	
903.47	Other than crude (item 176.11).....	1¢ per lb.	2¢ per lb.	
903.48	If product of the Philippines or of the Trust Territory: If Philippine article within tariff-rate quota (see headnote 2 of part 14B of schedule 1) or if Trust Territory article (item 176.12).....	Free		
903.49	Other (item 176.13).....	1¢ per lb.		

Item	Articles	Rates of duty		Effective period
		1	2	
903.60	Palm-kernel oil (provided for in part 14B, schedule 1):	Free	Free	On or before 6/30/66
903.61	Rendered unfit for use as food (item 176.32) ---	0.5¢ per lb.	1¢ per lb.	
	Other (item 176.33) -----			On or before 6/30/66
	Palm oil (provided for in part 14B, schedule 1):			
903.65	Other (item 176.36) -----	Free	Free	
*	*           *           *           *	*	*	*
	Fatty substances derived from coconut, palm-kernel, or palm oil (provided for in part 8A, schedule 4):			On or before 6/30/66
	Not sulfonated or sulfated:			
907.70	Fatty-acid esters, ethers, and ether-esters of polyhydric alcohols (item 465.05) -----	3c per lb.+ 15% ad val.	6c per lb.+ 30% ad val.	
907.71	Fatty-acid amides, amines, and quaternary ammonium salts (item 465.15) -----	3c per lb.+ 15% ad val.	6c per lb.+ 30% ad val.	
907.72	Sodium and potassium salts of fats, oils, and greases, and of fatty acids derived therefrom (item 465.25) -----	10% ad val.	25% ad val.	
	Sulfonated or sulfated:			
907.73	Fatty acids and salts of fatty acids (item 465.35) -----	10% ad val.	25% ad val.	
907.74	Fatty alcohols and salts of fatty alcohols (item 465.45) -----	10% ad val.	25% ad val.	
907.75	Fatty-acid esters, ethers, amides, and amines (item 465.55) -----	10.5% ad val.	25% ad val.	
907.77	Coconut, palm-kernel, and palm oils, sulfonated or sulfated (provided for in item 465.65, part 8A, schedule 4) -----	14% ad val.	35% ad val.	On or before 6/30/66
907.80	Canaigre, chestnut, curupay, divi-divi, eucalyptus, hemlock, larch, tara, mangrove, myrobalan, oak, quebracho, sumac, urunday, wattle, and valonia, all the foregoing provided for in items 470.23, 470.25, 470.55, 470.57, and 470.65, part 9A, schedule 4 -----	Free	Free	On or before 9/30/66
	Fatty substances derived from coconut, palm-kernel, or palm oil, not sulfonated or sulfated, and not specially provided for (provided for in part 13A, schedule 4):			On or before 6/30/66
907.85	Fatty acids (item 490.24) -----	10% ad val.	20% ad val.	
907.86	Salts (item 490.48) -----	10% ad val.	25% ad val.	
907.87	Fatty alcohols (item 490.73) -----	10.5% ad val.	25% ad val.	
907.88	Esters (item 490.92) -----	10.5% ad val.	25% ad val.	









Calendar No. 983

89TH CONGRESS  
2D SESSION

# H. R. 6568

[Report No. 1009]

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IN THE SENATE OF THE UNITED STATES

OCTOBER 19, 1965

Read twice and referred to the Committee on Finance

FEBRUARY 25, 1966

Reported by Mr. LONG of Louisiana, with an amendment

[Omit the part struck through or enclosed in brackets and insert the part printed in *italic*]

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## AN ACT

To amend the Tariff Act of 1930 to make permanent the existing temporary suspension of duty on copra, palm nuts, and palm-nut kernels, and the oils crushed therefrom, and for other purposes.

- 1        *Be it enacted by the Senate and House of Representa-*  
2        *tives of the United States of America in Congress assembled,*  
3        That (a) the article description preceding item 175.09, and

1 items 175.09 through 175.12, inclusive, of the Tariff Sched-  
2 ules of the United States (19 U.S.C. 1202) are amended  
3 to read as follows:

“		Copra:		
175.09	Entered during the effective pe- riod of special proclamation issued pursuant to headnote 1 of this part, or entered after July 3, 1974.....	Free	Free	
175.10	Entered on or before July 3, 1974, when no such special proclamation is in effect.....	1.25¢ per lb.	1.25¢ per lb.	
175.11	If product of the Philip- pines or of the Trust Territory.....	Free		
175.12	If produced elsewhere than in the Philippines or the Trust Territory wholly of materials the growth or production thereof....	Free	Free	”

4 (b) Such Schedules are amended by striking out items  
5 175.27 and 175.30 and inserting in lieu thereof the  
6 following:

“	175.28	Palm-nut kernels and palm nuts....	Free	Free	”
---	--------	------------------------------------	------	------	---

7 (c) The article description preceding item 176.04, and  
8 items 176.04 through 176.13, inclusive, of such Schedules  
9 are amended to read as follows:

“		Coconut oil:			
176.04	Entered during the effective period of special proclama- tion issued pursuant to head- note 1 of this part, or entered after July 3, 1974.....	1¢ per lb.	2¢ per lb.		
	If product of the Philip- pines or of the Trust Territory:				
176.05	If Philippine article with tariff-rate quota (see head- note 2 of this sub- part), or if Trust Territory article, entered on or before July 3, 1974.....	Free			
176.06	Other.....	1¢ per lb.			



	Coconut oil—Continued		
	Entered on or before July 3, 1974, when no special proclamation issued pursuant to headnote 1 is in effect:		
176.07	Crude.....	3¢ per lb.	4¢ per lb.
	If product of the Philippines or of the Trust Territory:		
176.08	If Philippine article within tariff-rate quota (see headnote 2 of this subpart), or if Trust Territory article.....	Free	
176.09	Other.....	1¢ per lb.	
176.10	If produced elsewhere than in the Philippines or the Trust Territory wholly from materials the growth or production thereof.....		
		1¢ per lb.	2¢ per lb.
176.11	Other than crude.....	1¢ per lb.	2¢ per lb.
	If product of the Philippines or of the Trust Territory:		
176.12	If Philippine article within tariff-rate quota (see headnote 2 of this subpart), or if Trust Territory article.....	Free	
176.13	Other.....	1¢ per lb.	”

1       (d) Such Schedules are amended by striking out the  
2 article description preceding item 176.32 and all that follows  
3 through item 176.36 and inserting in lieu thereof the fol-  
4 lowing:

“	Palm-kernel oil:			
176.32	Rendered unfit for use as food.	Free	Free	
176.33	Other.....	0.5¢ per lb.	1¢ per lb.	
176.34	Palm oil.....	Free	Free	”

5       (e) (1) Items 465.05 and 465.15 of such Schedules are  
6 amended—

1           (A) by striking out “4.5¢ per lb.” each place it  
2           appears and inserting in lieu thereof “3¢ per lb.”; and

3           (B) by striking out “7.5¢ per lb.” each place it  
4           appears and inserting in lieu thereof “6¢ per lb.”.

5           (2) Items 465.25, 465.35, 465.45, 465.65, 490.24,  
6           490.48, and 490.73 of such Schedules are amended by  
7           striking out “3¢ per lb. +” each place it appears.

8           (3) Items 465.55 and 490.92 of such Schedules are  
9           amended by striking out “1.5¢ per lb. +” each place it  
10          appears.

11          (f) (1) Headnote 3 for schedule 1, part 14 of such  
12          Schedules is amended by striking out “, palm-kernel nuts  
13          and palm nuts, and a 3-cent part of each of the rates of  
14          duty in subpart B on coconut oil, palm-kernel oil, and palm  
15          oil”.

16          (2) Headnote 2 for schedule 4, part 8, subpart A of  
17          such Schedules is repealed.

18          (3) Schedule 4, part 13, subpart A of such Schedules  
19          is amended by striking out “Subpart A headnote:” and by  
20          striking out headnote 1.

21          (g) The article description preceding item 903.30 and  
22          all that follows through item 903.65, the article descriptions  
23          preceding item 907.70 and all that follows through item  
24          907.77, and the article description preceding item 907.85

1 and all that follows through item 907.88 of such Schedules  
2 are repealed.

3 SEC. 2. (a) The headnotes for schedule 1, part 14, sub-  
4 part B of such Schedules are amended—

5 (1) by redesignating subparagraphs (c) and (d)  
6 of headnote 2 as subparagraphs (d) and (e), respec-  
7 tively;

8 (2) by striking out subparagraph (b) of headnote  
9 2 and inserting in lieu thereof the following:

10 “(b) 160,000 tons during calendar year 1965,

11 “(c) during calendar years 1966 through 1967—

12 “(i) if a proclamation has been issued pursuant to  
13 headnote 3 of this subpart, 160,000 tons, or

14 “(ii) if such a proclamation has not been issued,  
15 120,000 tons,”; and

16 (3) by adding at the end thereof the following new  
17 headnote:

18 “3. If, before May 1, 1966, the President determines  
19 that for the calendar years 1966 through 1967 the Republic  
20 of the Philippines has waived its rights with respect to copra  
21 under paragraph 5 of article IV of the revised trade agree-  
22 ment between the United States and the Republic of the  
23 Philippines, he shall so proclaim.”

1        ~~(b)~~ The appendix to such Schedules is amended by  
 2        inserting after item 903.21 the following new item:

“	903. 25	Copra provided for in item 175.10, if a proclamation has been issued pursu- ant to headnote 3 of part 14B of schedule 1 . . . . .	Free	1.25¢ per lb.	On or before 12/31/67	”
---	---------	---	------	---------------	-----------------------------	---

3        SEC. 3. ~~(a)~~ The amendments and repeals made by the  
 4        first section of this Act shall apply with respect to articles  
 5        entered, or withdrawn from warehouse, for consumption on  
 6        or after the date of the enactment of this Act.

7        ~~(b)(1)~~ The amendments made by paragraphs ~~(1)~~ and  
 8        ~~(2)~~ of section 2~~(a)~~ shall apply with respect to articles  
 9        entered, or withdrawn from warehouse, for consumption on  
 10       or after January 1, 1965. Upon request therefor filed with  
 11       the collector of customs concerned on or before the 120th day  
 12       after the date of the enactment of this Act, the entry or with-  
 13       drawal of any such article—

14        ~~(A)~~ which was made after December 31, 1964,  
 15        and on or before the date of the enactment of this Act,  
 16        and

17        ~~(B)~~ the liquidation of which has been made without  
 18        regard to such amendments,  
 19       shall, if necessary to give effect to such amendments and  
 20       notwithstanding section 514 of the Tariff Act of 1930 or any  
 21       other provision of law, be reliquidated and appropriate re-  
 22       fund of duty shall be made.

23        ~~(2)~~ The amendment made by section 2~~(b)~~ shall apply



1 with respect to articles entered, or withdrawn from ware-  
2 house, for consumption after December 31, 1965.

3       *SEC. 2. The amendments and repeals made by the first*  
4 *section of this Act shall apply with respect to articles en-*  
5 *tered, or withdrawn from warehouse, for consumption on or*  
6 *after the date of the enactment of this Act.*

7       *SEC. 3. (a) The limitation for the calendar year 1965*  
8 *contained in headnote 2(b) for schedule 1, part 14, subpart*  
9 *B of the Tariff Schedules of the United States is hereby in-*  
10 *creased by 28,308,955 pounds.*

11       *(b) Notwithstanding the provisions of section 514 of the*  
12 *Tariff Act of 1930 or any other provision of law, entries*  
13 *during 1965 of coconut oil, which is a Philippine article*  
14 *(within the meaning of the Tariff Schedules of the United*  
15 *States), shall be liquidated or reliquidated in accordance with*  
16 *the provisions of subsection (a), and appropriate refunds of*  
17 *duty shall be made, if request therefor is filed with the ap-*  
18 *propriate customs officer on or before the 120th day after*  
19 *the date of the enactment of this Act.*

Passed the House of Representatives October 18, 1965.

Attest:

RALPH R. ROBERTS,

*Clerk.*

89TH CONGRESS  
2D Session

# H. R. 6568

[Report No. 1009]

## AN ACT

To amend the Tariff Act of 1930 to make permanent the existing temporary suspension of duty on copra, palm nuts, and palm-nut kernels, and the oils crushed therefrom, and for other purposes.

OCTOBER 19, 1965

Read twice and referred to the Committee on Finance

FEBRUARY 25, 1966

Reported with an amendment







# **DIGEST** of Congressional Proceedings

## OF INTEREST TO THE DEPARTMENT OF AGRICULTURE

UNITED STATES DEPARTMENT OF AGRICULTURE  
WASHINGTON, D. C. 20250  
OFFICIAL BUSINESS

POSTAGE AND FEES PAID  
U. S. DEPARTMENT OF AGRICULTURE

OFFICE OF BUDGET AND FINANCE  
(FOR INFORMATION ONLY;  
NOT TO BE QUOTED OR CITED)

Issued March 3, 1966  
For actions of March 2, 1966  
89th-2nd; No. 37

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HIGHLIGHTS: Both Houses received President's transportation message. Sens. Tower, Young, O., and Proxmire criticized school milk budget cut. Rep. O'Neal, Ga., stated that food-for-peace program would not result in removal of acreage allotment controls. Sen. Curtis submitted and discussed measure re distribution among States of research funds.

### SENATE

1. TRANSPORTATION. Both Houses received the President's transportation message in which he proposed the establishment of a Department of Transportation which would include the Office of the Under Secretary of Commerce for Transportation, Bureau of Public Roads, Federal Aviation Agency, Coast Guard, Maritime Administration, safety functions of the Civil Aeronautics Board, safety and car-service functions of the Interstate Commerce Commission, and the St. Lawrence Seaway Development Corporation (H. Doc. 399); to S. Government Operations and Commerce Committees (jointly). pp. 4351-6, 4434-9

2. FOREIGN AID. Passed without amendment H. R. 12563, to provide for U. S. participation in the Asian Development Bank (pp. 4483-91). This bill will now be sent to the President.
3. FOREIGN TRADE. Passed with amendments H. R. 6568, to make permanent the duty-free treatment or lower rates of duty temporarily applicable to copra, palm nuts, and palm-nut kernels, their oils, and specified fatty acids, salts, and other chemical products derived from the oils. Agreed to an amendment by Sen. Mansfield which he stated was technical and "will make certain that the rates of duty provided by this act are the rates to be taken into account by the President in cutting or raising tariffs on these products." pp. 4603-5  
Sen. Eastland criticized the controls on exports to Rhodesia and inserted an editorial, "On the U. S. Policy Toward Rhodesia." pp. 4496-7
4. TAXATION. The Finance Committee reported with amendments H. R. 12752, the proposed Tax Adjustment Act of 1966 (S. Rept. 1010) (p. 4439). This bill was made the unfinished business (p. 4505).
5. SCHOOL MILK. Sens. Tower, Young, O., and Proxmire criticized the budget cut for the school milk program. pp. 4451, 4453-4, 4462
6. EDUCATION. Sen. Morse criticized the budget cuts for education programs, including funds for the land-grant colleges, and inserted several items in support of his position. Several Senators commended his remarks. pp. 4530-92  
Sen. Gruening criticized the budget cut for Federal aid to schools in federally impacted areas. pp. 4529-30
7. NOMINATION. The Government Operations Committee reported the nomination of Elmer B. Staats to be Comptroller General. p. 4439
8. APPALACHIA. Sen. Cooper commended "the dispatch and efficiency with which the Appalachian Regional Commission has gone to work," and inserted an article discussing progress in the development of the region, including the building of roads and development of timber resources. pp. 4478-9
9. REGIONAL DEVELOPMENT. Sen. Kennedy commended the Secretary of Commerce for designating the six New England States as an economic development region under the Public Works and Economic Development Act under which a New England regional commission will study ways of promoting the economic development of the region. pp. 4472-3
10. ADJOURNED until Fri., Mar. 4. p. 4605

#### HOUSE

11. PERSONNEL. The Education Committee reported with amendment H. R. 10721, to amend the Federal Employees' Compensation Act to improve its benefits (H. Rept. 1304). p. 4430
12. TRANSPORTATION. Both Houses received from the Budget Bureau a proposed bill to establish a Department of Transportation; to Government Operations Committees. pp. 4430, 4434
13. RECLAMATION. The Interior and Insular Affairs Committee voted to report (but



first year in which a corporation commences the active conduct of any trade or business. Thus, if a corporation was engaged in the active conduct of one trade or business in any prior taxable year, the taxable year in which such corporation commences the active conduct of a second or new trade or business is not the first taxable year in which such corporation commences the active conduct of any trade or business. Further, the first taxable year in which a corporation commences the active conduct of any trade or business is not necessarily the same year in which a corporation comes into existence.

(b) Effective dates: Subsection (b) of section 3 of the bill provides that the amendment made by subsection (a) shall apply to taxable years of electing small business corporations ending after the date of enactment of the bill. Further, such amendment shall also apply with respect to taxable years beginning after December 31, 1962, and ending on or before such date of enactment, if (1) the corporation elects to have such amendment so apply, and (2) all persons (or their personal representatives) who were shareholders of such corporation at any time during any taxable year beginning after December 31, 1962, and ending on or before the date of enactment of the bill consent to such election and to the application of the amendment made by subsection (a) of section 3 of the bill. Such persons who must consent include persons who are not shareholders on the date of enactment of the bill if they were shareholders during the prescribed period. The effect of an election under these provisions is that a corporation may be an electing small business corporation whose election would, but for these provisions, have terminated under section 1372(e)(5) of the code. If such a corporation has shareholders or former shareholders whose consent is necessary to prevent a termination under section 1372(e)(1), such shareholders may consent to such election under section 1372(a) of the code at such time as the Secretary of the Treasury or his delegate shall prescribe by regulations. Further, the election by the corporation under subsection (b) of section 3 of the bill and the consents thereto shall be made at such time and in such manner as the Secretary of the Treasury or his delegate prescribes by regulations.

#### SECTION 4. REPEAL OF SUBCHAPTER R

This is a new section added to the bill by your committee. Under existing law (sec. 1361 of the code) unincorporated business enterprises may elect to be taxed as domestic corporations. Once an election has been made, it may not be revoked and the unincorporated business enterprise is thereafter subject to tax as a domestic corporation and the owners are treated as its shareholders, unless the election is terminated under section 1361(f) of the code by reason of a change of ownership. However, under existing law, parts III and IV of subchapter C of chapter 1 of the code are generally not applicable to unincorporated business enterprises which have made an election.

(a) Status pending repeal, new elections: Paragraph (1) of section 4(a) of the bill amends section 1361(a) of the code to provide that no new elections under section 1361(a) may be made after the date of enactment of the bill. However, elections may be made after such date of enactment by unincorporated business enterprises which have a valid election in effect on the date of enactment but which, because of the subsequent application of the provisions of section 1361(f) (relating to change of ownership), would no longer be considered a domestic corporation but for another election under section 1361(a).

#### Transfer to an actual corporation

Paragraph (2) of section 4(a) of the bill amends section 1361(c) of the code by de-

leting a reference to section 1361(m); and paragraph (4) of section 4(a) of the bill deletes the provisions of section 1361(m). Section 4(c) of the bill provides that these amendments shall apply with respect to transactions occurring after the date of the enactment of the bill.

The effect of these amendments is to make all of the provisions of parts III and IV of subchapter C of chapter 1 of the code (relating to corporate organizations, and reorganizations, and insolvency reorganizations) applicable to a "section 1361 corporation" and its owners, in the same manner as these provisions are applicable to any true corporation and its shareholders. Thus, for example, if after the date of enactment and before January 1, 1969, the partners of an enterprise, which has a valid election, in effect under section 1361(a) transfer all of the assets of such enterprise to an actual corporation and receive stock in proportion to their interests there will be no tax on the transfer of property and on the issuance of stock, under sections 368(a)(1) and 354 of the code. On the other hand, if the partners retain money or property of the enterprise, this may be treated as "boot" for purposes of section 356 of the code.

#### Revocation and termination of elections

Paragraph (3) of section 4(a) of the bill amends section 1361(e) of the code (relating to irrevocability of elections under section 1361(a)) to provide a reference to new section 1361(n) of the code; paragraph (5) of section 4(a) of the bill adds section 1361(n).

Paragraph (1) of new section 1361(n) provides that an election under section 1361(a) with respect to an unincorporated business enterprise may be revoked after the date of the enactment of the bill by the proprietor of such enterprise or by all of the partners owning an interest in such enterprise on the date on which the revocation is made. The revocation shall be made in such manner as the Secretary of the Treasury or his delegate may prescribe by regulations. The revocation will be effective on the date on which it is made unless the revocation specifies a later effective date and such enterprise shall not be considered a domestic corporation for any period on or after the effective date of the revocation. The section 1361 corporation and its owners shall be treated as if the corporation had distributed its assets in a complete liquidation on the effective date of the revocation, unless such treatment is inappropriate because of the applicability of provisions of the code relating to corporate organizations and reorganizations. Such applicability can result, for example, from a subsequent transfer of assets to an actual corporation.

Paragraph (2) of new section 1361(n) provides that if a revocation under paragraph (1) of an election under section 1361(a) with respect to any unincorporated business enterprise is not effective on or before December 31, 1968, such election shall terminate on January 1, 1969, and such enterprise shall not be considered a domestic corporation for any period on or after January 1, 1969. Of course, if an election with respect to an enterprise terminates on or before December 31, 1968, as a result of the provisions of section 1361(f), and another election under sec-

tion 1361(a) with respect to such enterprise is not made on or before such date, section 1361(n) is not applicable to such enterprise. If an election is terminated under the provisions of paragraph (2) of new section 1361(n), the section 1361 corporation and its owners shall be treated in the same manner as if a revocation had been made under paragraph (1) of section 1361(n), effective on January 1, 1969.

(b) Repeal of subchapter R: Section 4 (b) of the bill repeals subchapter R of chapter 1 of the code, and all references thereto contained in the code effective January 1, 1969.

#### TARIFF TREATMENT OF COPRA, PALM NUTS, AND PALM-NUT KERNELS, AND THE OILS CRUSHED THEREFROM

Mr. MANSFIELD. Mr. President, I ask unanimous consent that the Senate turn to the consideration of Calendar No. 983, H.R. 6568.

The PRESIDING OFFICER. The bill will be stated by title.

The LEGISLATIVE CLERK. A bill (H.R. 6568) to amend the Tariff Act of 1930 to make permanent the existing temporary suspension of duty on copra, palm nuts, and palm-nut kernels, and the oils crushed therefrom, and for other purposes.

The PRESIDING OFFICER. Is there objection to the present consideration of the bill?

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Finance, with an amendment, on page 5, after line 2, to strike out:

SEC. 2. (a) The headnotes for schedule 1, part 14, subpart B of such Schedules are amended—

(1) by redesignating subparagraphs (c) and (d) of headnote 2 as subparagraphs (d) and (e), respectively;

(2) by striking out subparagraph (b) of headnote 2 and inserting in lieu thereof the following:

"(b) 160,000 tons during calendar year 1965,

"(c) during calendar years 1966 through 1967—

"(1) if a proclamation has been issued pursuant to headnote 3 of this subpart, 160,000 tons, or

"(1) if such a proclamation has not been issued, 120,000 tons,"; and

(3) by adding at the end thereof the following new headnote:

"3. If, before May 1, 1966, the President determines that for the calendar years 1966 through 1967 the Republic of the Philippines has waived its rights with respect to copra under paragraph 5 of article IV of the revised trade agreement between the United States and the Republic of the Philippines, he shall so proclaim."

(b) The appendix to such Schedules is amended by inserting after item 903.21 the following new item:

[" 903.25]	Copra provided for in item 175.10, if a proclamation has been issued pursuant to headnote 3 of part 14B of schedule 1.....	Free	1.25¢ per lb.	On or before 12/31/67	"]
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Sec. 3. (a) The amendments and repeals made by the first section of this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this Act.

(b) (1) The amendments made by paragraphs (1) and (2) of section 2(a) shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on

or after January 1, 1965. Upon request therefor filed with the collector of customs concerned on or before the 120th day after the date of the enactment of this Act, the entry or withdrawal of any such article—

(A) which was made after December 31, 1964, and on or before the date of the enactment of this Act, and

(B) the liquidation of which has been made without regard to such amendments,



shall, if necessary to give effect to such amendments and notwithstanding section 514 of the Tariff Act of 1930 or any other provision of law, be reliquidated and appropriate refund of duty shall be made.

The amendment made by section 2(b) shall apply with respect to articles entered, or withdrawn from warehouse, for consumption after December 31, 1965.

And, in lieu thereof, to insert:

SEC. 2. The amendments and repeals made by the first section of this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this Act.

SEC. 3. (a) The limitation for the calendar year 1965 contained in headnote 2(b) for schedule 1, part 14, subpart B of the Tariff Schedules of the United States is hereby increased by 28,308,955 pounds.

(b) Notwithstanding the provisions of section 514 of the Tariff Act of 1930 or any other provision of law, entries during 1965 of coconut oil, which is a Philippine article (within the meaning of the Tariff Schedules of the United States), shall be liquidated or reliquidated in accordance with the provisions of subsection (a), and appropriate refunds of duty shall be made, if request therefor is filed with the appropriate customs officer on or before the 120th day after the date of the enactment of this Act.

The PRESIDING OFFICER. The question is on agreeing to the committee amendment.

The amendment was agreed to.

Mr. MANSFIELD. Mr. President, I send to the desk an amendment, and ask that it be stated.

The PRESIDING OFFICER. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed at the end of the bill to add the following new section 4:

SEC. 4. For purposes of applying paragraphs (4) and (5) of section 256 (19 U.S.C. 1886) and section 351(b) (19 U.S.C. 1981(b)) of the Trade Expansion Act of 1962 and section 350(c)(2)(A) of the Tariff Act of 1930 (19 U.S.C. 1351(c)(2)(A))—

(1) The rates of duty in rate column numbered 1 of the Tariff Schedules of the United States as changed by this Act shall be treated as the rates of duty existing on July 1, 1962.

(2) The rates of duty in rate column numbered 2 of such Schedules as changed by this Act shall be treated as the rates of duty existing on July 1, 1934.

Mr. MANSFIELD. Mr. President, this is a very technical amendment, but one which has little impact. Under existing law, the President is authorized to reduce tariffs to 50 percent of the amount which existed on July 1, 1962. In certain instances, he may increase tariffs by 50 percent of the duty which applied on July 1, 1934.

This bill, as passed by the House and approved by the committee, permanently reduces the tariff on copra, coconut oil, and related products. This amendment will make certain that the rates of duty provided by this act are the rates to be taken into account by the President in cutting or raising tariffs on these products.

I urge that the amendment be agreed to and that the bill as amended be passed.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Montana.

The amendment was agreed to.

Mr. MANSFIELD. Mr. President, I ask unanimous consent that an explanation of the bill from the report be printed in the RECORD at this point.

There being no objection, the extract (Rept. No. 1009) was ordered to be printed in the RECORD, as follows:

#### PURPOSE OF BILL AS AMENDED

This bill would make permanent the duty-free treatment or lower rates of duty temporarily applicable to copra, palm nuts, and palm-nut kernels, their oils, and specified fatty acids, salts, and other chemical products derived from the oils. The temporary duty-free treatment or lower rates applicable to these products (presently scheduled to expire June 30, 1966) reflect the suspension of the 3-cent-per-pound processing tax formerly applicable to such commodities under section 4511 of the Internal Revenue Code. This tax was converted to an import duty in 1963, but its suspension, first provided in 1957, was continued.

In addition to repealing the duty equivalent of the former 3-cent-per-pound processing tax, H.R. 6568 would also provide relief with respect to certain coconut oil imported on or before June 11, 1965. This oil was released from customs custody as being within the duty-free quota provided for pursuant to the Philippine trade agreement. By increasing the quota for 1965, the House bill would have assured relief from the 1-cent-per-pound duty with respect to this oil. The Finance Committee bill similarly insures that this oil will not be considered overquota.

#### PROVISIONS OF HOUSE BILL DELETED

Except to the limited extent described in the preceding paragraph, the Committee on Finance deleted those provisions of the House bill which would have—

(a) Increased the 1965 duty-free quota for Philippine coconut oil from 120,000 tons to 160,000 tons, and

(b) Permitted a similar increase in the quota for 1966 and 1967 if the President determined that for these 2 years the Philippines had waived its right to preferential treatment on Philippine copra as provided for under the Philippine trade agreement. In such an event copra from all non-Communist countries (presently dutiable at 1.25 cents per pound) could have entered the United States free of duty during 1966 and 1967.

#### GENERAL STATEMENT

##### *History of processing taxes and duties*

The Revenue Act of 1934 imposed a tax of 3 cents per pound on the first domestic processing of coconut oil and combinations or mixtures containing a substantial quantity of coconut oil, if the product of or produced from materials the product of the Philippines or any U.S. possession; otherwise, the tax was 5 cents per pound. A tax of 3 cents per pound was also imposed on the first domestic processing of palm-kernel oil and palm oil (except palm oil used in the manufacture of iron or steel products, tinplate or terne plate, or any subsequent use of palm oil residue resulting from the manufacture of iron or steel products, tinplate or terne plate), and on derivatives (fatty acids, salts, etc.) of palm oil and palm-kernel oil. The Philippine Trade Act of 1946 provided that the 3-cent-per-pound rate, rather than the 5-cent-per-pound rate, was to apply to non-Philippine coconut oil during any period as to which the President finds that adequate supplies of neither copra nor coconut oil, the product of the Philippines, are readily available for processing in the United States.

The processing tax provisions were carried over into the Internal Revenue Code of 1954 as section 4511.

In the 1955 revised trade agreement with the Philippines, the United States undertook an obligation to maintain the 2-cent-per-

pound preferential duty differential in the "internal" (processing) tax between Philippine coconut oil and non-Philippine oil. The proportionate differential on copra is 1.25 cents per pound.

Aside from the processing taxes, which were technically "internal" taxes, paragraph 54 of the original tariff schedules of the Tariff Act of 1930 imposed a duty of 2 cents per pound on coconut oil and a duty of 1 cent per pound on palm-kernel oil fit for human consumption. No duty was imposed on copra or on palm oil. Pursuant to the General Agreement on Tariffs and Trade, effective January 1, 1948, the 2 cent per-pound tariff on coconut oil was reduced to 1 cent and the 1-cent-per-pound duty on palm-kernel oil was reduced to 0.5 cent.

Because the processing taxes above referred to operated economically as import duties (none of the raw materials, i.e., copra, palm nuts, or palm kernels, are produced in the United States), they were assimilated into the TSUS and consolidated with regular duties, where applicable. IRC section 4511 was repealed. However, though for all other purposes the processing taxes were converted into regular import duties, the U.S. obligation to the Philippines to maintain a 2-cent preferential differential in the "internal" tax on these products necessitated the continued treatment of those portions of the duties that were derived from the processing taxes as "internal taxes" for the purposes of the Philippine trade agreement (TSUS schedule 1, pt. 14, headnote 3).

The processing taxes were imposed in 1934 principally to protect domestically produced vegetable oils in their use in the production of edible products such as margarine. Because the major use in the United States of coconut oil (the principal oil involved) shifted to the indelible industrial sector (soaps, detergents, etc.) and because of the consequent decline in competition between coconut oil and domestic vegetable oils, the 3-cent-per-pound processing tax on coconut oil and its derivatives was suspended in 1957 until July 1, 1960 (Public Law 85-235, sec. 3). That legislation was followed by the suspension in 1959, also until July 1, 1960, of the processing taxes on palm oil and palm-kernel oil and their derivatives (Public Law 86-37). The suspension of all these taxes was continued until July 1, 1963 (Public Law 86-432), and further continued until July 1, 1966 (Public Law 87-859). The current suspension of the taxes is reflected in part 1 of the appendix to the TSUS (items 903.30-903.32, relating to copra; item 903.40, relating to palm-nut kernels and palm nuts; items 903.43-903.49, relating to coconut oil; items 903.60-903.61, relating to palm-kernel oil; item 903.65, relating to palm oil; and items 907.70-907.75, item 907.77, and items 907.85-907.88, relating to various derivatives of coconut, palm-kernel, or palm oil).

The regular duty on coconut oil (1 cent per pound since 1948) has remained in effect throughout the period of the suspension of the processing taxes, except with respect to imports of Philippine coconut oil within specified quotas. Under the 1955 revision of the trade agreement with the Philippines, Philippine coconut oil has been subject to progressively declining duty-free quotas, overquota imports being subject to the 1-cent-per-pound duty. The basic quota was 200,000 long tons, which by 1962 had declined to 160,000 long tons. Until 1962 the 1-cent-per-pound duty on overquota imports was inoperative because the quotas on Philippine coconut oil exceeded the imports in each quota year. A sharp rise in U.S. consumption in 1963 caused the quota (160,000 long tons) to be filled by November 1, 1963. The 1964 quota (same quantity as 1963) was filled by August of that year. For the years 1965 through 1967 the quota is reduced to 120,000 long tons per annum. The 1965



quota was filled in May. In 1968 the duty-free quota will decline to 80,000 long tons and will remain at that quantity through 1970; for the years 1971-73 the annual quota will be 40,000 long tons; and on January 1, 1974, all preferential tariff treatment of Philippine coconut oil is scheduled to terminate. Thereafter coconut oil from any non-Communist source may be imported on a non-discriminatory basis upon payment of the 1-cent-per-pound duty.

#### Background of bill

Coconut oil, palm oil, and palm-kernel oil is produced from copra, palm nuts, and palm-nut kernels, respectively. There is no domestic production of the materials from which the oil is produced. The entire domestic supply of palm and palm-kernel oil is obtained from imports. The U.S. supply of coconut oil comes almost in equal shares from imported coconut oil or from oil crushed in the United States from imported copra. Virtually all of the imports (whether copra or oil) come from the Philippines. The virtual Philippine monopoly of the U.S. market for coconut oil and copra is attributed to the 2-cent-per-pound preferential duty differential between Philippine and non-Philippine coconut oil and the proportionate differential for copra of 1.25 cents per pound.

While there has been unanimous agreement among domestic consumers of coconut oil on the one hand and U.S. copra crushers on the other hand as to the desirability of repealing the duty equivalent of the original 3-cent-per-pound tax, there has been no similar consensus as to the merits of any other change in the tariff treatment of this oil or of the copra from which it is crushed.

The House bill attempted to resolve the differences between these two important segments of our economy. By providing an increased duty-free quota for Philippine coconut oil for 1965, and by providing for contingent increases in 1966 and 1967, the House bill accepted the argument that the 1-cent-per-pound tariff might cause a shift in the United States to synthetic oils for industrial purposes which could lead in time to increased shipments of Philippine coconut oil to Europe where it would compete directly with U.S.-produced soybean (and other) oil in the edible oil markets.

On the other hand, by linking the increased quota to suspension of the Philippine duty preference on copra (1.25 cents per pound) the House bill tried to provide a benefit for domestic crushers who seek additional sources of supply for their raw product, copra. Because of their preference under the trade agreement the Philippines is virtually our sole supplying country.

But these provisions were considered to be of little benefit by domestic copra crushers. The committee was advised that at least 7 years are needed to bring new coconut palms to producing age and the 2-year period provided by the House bill would be inadequate to enable them to develop new sources of supply for copra. Moreover, the House provisions, in effect, would have extended tariff concessions (in the form of higher duty-free quotas) to the Philippines without our receiving any comparable concession in return.

Domestic consumers similarly found little assurance in the contingent features of the House bill. The increased quota for 1966 and 1967 would have depended upon action of a foreign government which was at best uncer-

tain, and which it might have found to be contrary to its own best long-term interests.

The committee was also advised that enlarging the duty-free quota for the Philippines would be inconsistent with the policy of the United States of stimulating world trade on a nondiscriminatory basis. The Office of the Special Representative for Trade Negotiations reported:

"This Government has consistently supported nondiscrimination in international trade and the progressive dismantling of residual discriminatory measures. Accordingly, the trade agreement between the United States and the Republic of the Philippines provides for the progressive reduction and eventual elimination of the duty-free quota on imports of Philippine coconut oil, as well as of the preferential tariff rates on imports of all Philippine products.

"The provision of H.R. 6568 for a 3-year expansion of the duty-free quota on imports of Philippine coconut oil would not only halt but would reverse this movement toward the elimination of discrimination and would expand the trade coverage subject to preferential tariff treatment. In addition, it could precipitate pressure for a further extension of broadening of the preferential treatment for Philippine coconut oil subsequent to 1967, when under the provisions of the trade agreement the duty-free quota for Philippine coconut oil would drop sharply from 160,000 to 80,000 tons."

The Commerce Department reported similar views to the committee, and it understands they are shared also by the Department of Agriculture.

For these reasons, the committee concluded that in the interest of assuring enactment of legislation to repeal that portion of the tariff attributable to the 3-cent-per-pound processing tax, it would be advisable to limit the House bill to that objective. Accordingly, the committee bill deletes those features of the House bill which would have (1) increased the duty-free quota for 1965 and (2) provide for increased duty-free quotas for 1966 and 1967 along with suspension for those years of the 1.25-cent-per-pound preferential tariff on non-Philippine copra.

#### The 1965 quota

As already indicated, under the Philippine trade agreement, provision is made for duty-free entry for a progressively diminishing quantity of Philippine coconut oil. In 1963 and 1964 the duty-free quota amounted to 160,000 tons. Under present-law for 1965 through 1967, the duty-free quota is 120,000 tons. Importers were advised that the quota for 1965 would be filled on or about June 11, and ports of entry were notified not to release Philippine coconut oil duty free after that date. Subsequently, in the fall, it was found that the 1965 quota actually had been filled on May 17, 1965. The Commissioner of Customs advised the committee by letter dated January 28, 1966, that—

"Between May 17 and June 11, there was a total of 28,308,955 pounds of coconut oil that had been released duty free on which duty at the rate of 1 cent per pound would have to be collected for a total of \$283,089.55. This involves shipments covered by 13 separate entries filed at various ports of entry and covering shipments consigned to 7 importing firms, which are subject to the payment of duty averaging from a low of \$6,550.90 to a high of \$141,574.12.

"In view of the financial burden that would be placed on these individual importers through no fault of their own, and

in view of the pending legislation, H.R. 6568, the collection of these duties has been deferred administratively until June 30, 1966."

The House of Representatives, without knowing of this quota problem, and for completely different reason, would have provided an increased quota for 1965 sufficiently large to assure that oil imported in this period would be within-quota oil.

Generally, an importer of articles subject to a quota acts at his peril when he clears the article through customs. If it is an absolute quota the article may not be imported under any circumstances if the quota is filled. On the other hand, if a tariff quota is involved, higher duties may apply if the imported article should come in after the quota is filled.

The committee recognizes that no one can unfailingly foretell the day or the hour upon which a quantitative quota will fill. That event depends upon the individual actions of numerous independent importers at many ports of entry. While the committee feels that the importers should act at their risks when operating against a quota, it also feels that the unusual circumstances involved in this coconut oil situation during the limited period referred to warrant relief.

Accordingly, the committee bill contains provisions which would increase the quota for 1965 by 28,308,955 pounds. In addition, the committee expects that the Bureau of Customs will continue to advise all inquirers of the status of a quota, based upon the latest available data. It also admonishes the Bureau to continue to point out that it is not possible to predict accurately when a quota will fill and there can be no guarantee that any future entry will come under the quota. Importers should be strongly cautioned that when they import against a quota they do so at their peril.

The amendments were ordered to be engrossed, and the bill to be read a third time.

The bill was read the third time, and passed.

#### ADJOURNMENT UNTIL FRIDAY

Mr. HARTKE. Mr. President, in accordance with the previous order, I move that the Senate stand in adjournment until Friday, March 4, 1966, at 12 o'clock noon.

The motion was agreed to; and (at 5 o'clock and 59 minutes p.m.) the Senate adjourned, under the previous order, until Friday, March 4, 1966, at 12 o'clock meridian.

#### NOMINATIONS

Executive nominations received by the Senate March 2, 1966:

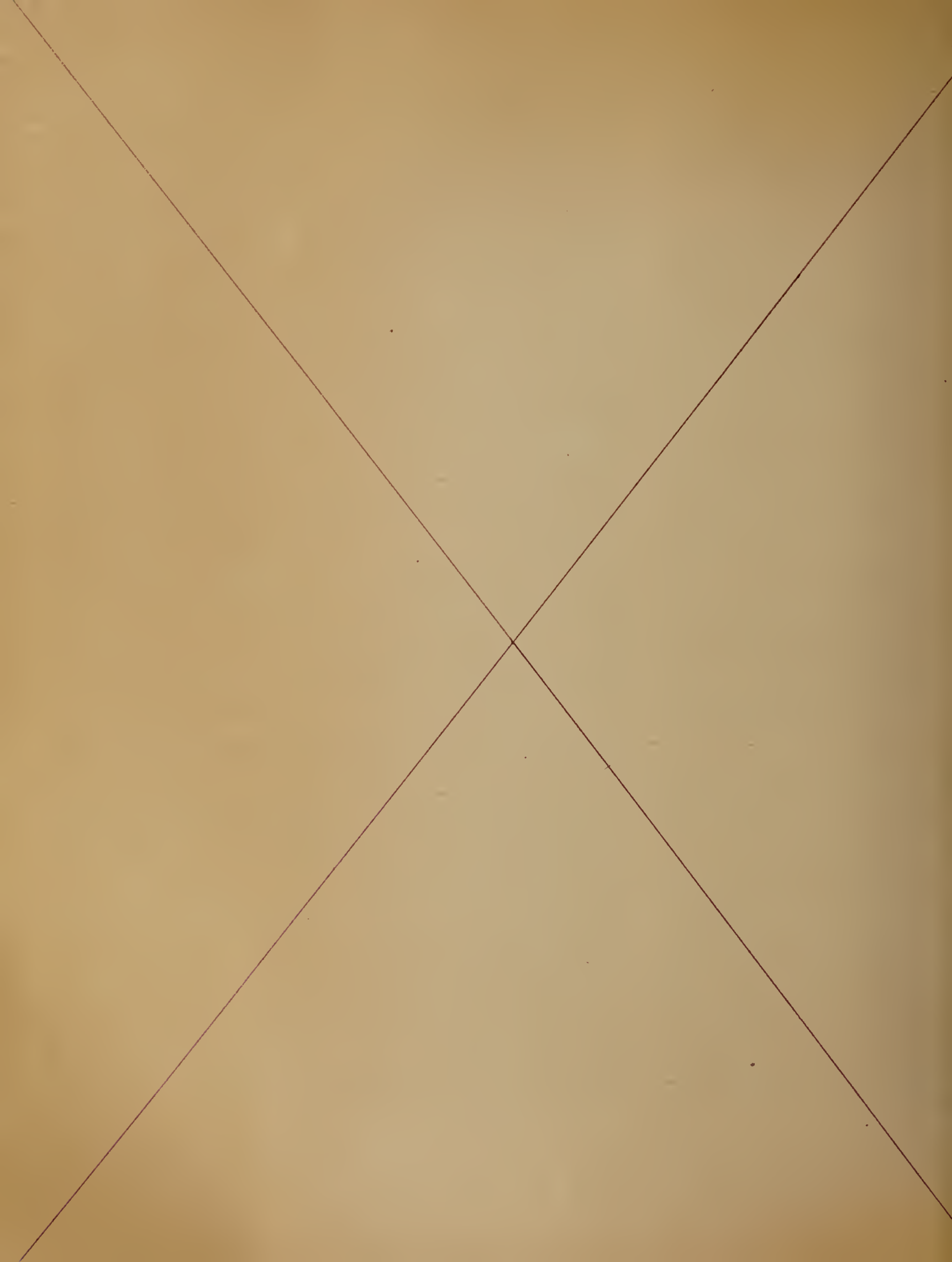
##### ASSISTANT ATTORNEY GENERAL

Frank M. Wozencraft, of Texas, to be an Assistant Attorney General vice Norbert A. Schlei, resigned.

Mitchell Rogovin, of Virginia, to be an Assistant Attorney General vice Louis Oberdorfer, resigned.

##### TREASURY DEPARTMENT

Lester R. Uretz, of Virginia, to be an Assistant General Counsel in the Department of the Treasury (Chief Counsel for the Internal Revenue Service), vice Mitchell Rogovin.









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of additional health benefits plans to come within the purview of the Act.  
pp. 6789-93

20. INFORMATION. A subcommittee of the Government Operations Committee voted to report to the full committee S. 1160, to clarify and protect the right of the public to information. p. D272
21. FOREIGN AID. The Armed Services Committee voted to report (but did not actually report) H. R. 12617, to amend the Act providing for the economic and social development of the Ryukyu Islands. p. D271  
Rep. McDade commended the efforts of the students of the University of Scranton to raise contributions to buy food for the people of India. p. 6782
22. INTERIOR AND RELATED AGENCIES APPROPRIATION BILL, 1967. The Appropriations Committee was granted permission to report this bill by midnight Thurs., Mar. 31. p. 6783
23. CORN. Reps. Arends and Quie criticized USDA sales of corn as having an adverse effect on corn prices and grain elevator operators, and Rep. Quie inserted several items, including his letter to Secretary Freeman, on the matter. pp. 6813-5, 6835-8
24. ELECTRIFICATION. Rep. Teague criticized the expansion of the REA coop program as an encroachment on private utility companies. pp. 6815-6
25. CATTLE HIDES. Reps. Shriver and Culver protested the imposition of export quotas on cattle hides. pp. 6827-8, 6850
26. COMMODITY EXCHANGES; POTATOES. Rep. Hathaway spoke in support of his bill, H. R. 6006, to prohibit trading in Irish potato futures on commodity exchanges.. pp. 6851-2
27. WATERSHEDS. Rep. Bandstra spoke in support of his resolution, H. J. Res. 994, which he stated "is aimed at removing a limitation on new watershed planning authorizations for fiscal year 1966 imposed by the Bureau of the Budget on the U. S. Soil Conservation Service." pp. 6852-3
28. RESEARCH. Rep. Ashbrook urged enactment of legislation to regulate the use of cats and dogs in research experiments, and stated that the House Agriculture Committee "has reported out a bill which is weak and ineffective and cannot help but fail in its objective." pp. 6840-1
29. FOREIGN TRADE. ~~Concurred in the Senate amendments to H. R. 7723, to suspend the duty on certain tropical hardwoods until Jan. 1, 1968. This bill will now be sent to the President. p. 6785~~  
Concurred in the Senate amendments to H. R. 6568, to make permanent the duty-free treatment or lower rates of duty temporarily applicable to copra, palm nuts, and palm-nut kernels, their oils, and specified fatty acids, salts, and other chemical products derived from the oils. This bill will now be sent to the President. pp. 6785-6  
Rep. Sisk commended the visit of a Japanese trade mission sent to the Pacific coast to study possibilities of expanding new trade and eliminating or reducing problems of trade relations, particularly with regard to trade in Calif. agricultural products. pp. 6812-3

nations which have either the food to offer or the means to buy food. Proposed that we allot up to 200,000 tons of corn, up to 150 million pounds of vegetable oils, and up to 125 million pounds of milk powder to India. Proposed the allotment of 325,000 to 700,000 bales of cotton and 2 to 4 million pounds of tobacco so that India could release its own exchange resources for food and fertilizer purchases. Stated that he has directed the Secretary of Agriculture, in cooperation with AID, to consult with the Indian Government to ascertain if there are ways and means by which we can strengthen this effort. Proposed the establishment of an Indo-U. S. Foundation to stimulate education and scientific research in India, particularly in the field of agriculture and agricultural development. Urged endorsement of the Congress for this program. To Agriculture Committee. (H. Doc. 417) (pp. 6787-9) Rep. Albert and others commended the President's message (pp. 6809-11, 6827, 6859-60).

15. WATER RESEARCH. Passed with amendment S. 22, to authorize the appropriation of \$85 million over a ten-year period to the Secretary of the Interior to make grants to and finance contracts and matching or other arrangements with educational institutions, private foundations or other institutions, with private firms and individuals, and with local, State, and Federal agencies, to undertake research into any aspects of water problems related to the mission of the Interior Department, after substituting the language of a similar bill, H. R. 3606, which had been passed earlier as reported. H. R. 3606 was tabled. pp. 6801-2, 6806-9

16. DEFENSE PRODUCTION. The Banking and Currency Committee voted to report (but did not actually report) "H. R. 14025 (amended), to renew the Defense Production Act." p. D271

17. DAYLIGHT SAVING TIME. By a vote of 281 to 91, agreed to the conference report on S. 1404, the proposed Uniform Time Act of 1966, to establish uniform dates (from the last Sunday of Apr. to the last Sunday of Oct. each year) for the commencing and ending of daylight saving time in all States and jurisdictions where it is observed (pp. 6783-4). This bill will now be sent to the President.

18. RECLAMATION. Passed with amendment S. 254, to authorize the Secretary of the Interior to construct the Tualatin reclamation project, Ore., after substituting the language of a similar bill, H. R. 707, which has been passed earlier as reported. H. R. 707 was tabled. The bill includes a provision prohibiting, for ten years, the delivery of water from the project for the production of basic agricultural commodities in surplus supply, unless the Secretary of Agriculture authorizes production in the interest of national security. pp. 6793-4, 6795-6801

Passed with amendment S. 490, to authorize the Secretary of the Interior to construct the Manson unit, Chelan division, Chief Joseph Dam project, Wash., after substituting the language of a similar bill, H. R. 2829, which had been passed earlier as reported. H. R. 2829 was tabled. The bill includes a provision prohibiting, for ten years, the delivery of water from the project for the production of basic agricultural commodities in surplus supply, unless the Secretary of Agriculture authorizes production in the interest of national security. pp. 6794-5, 6802-6

19. PERSONNEL. Passed with an amendment H. R. 5147, to amend the Federal Employees Health Benefits Act of 1959 so as to permit until Dec. 31, 1966, CSC approval



We may recall that subchapter R—section 1361—was originally added by the Senate as an amendment to the House-passed version of H.R. 8300, the Internal Revenue Code of 1954.

As stated in the committee report—Senate Report No. 1622, 83d Congress, 2d session, page 119:

The privilege of unincorporated businesses to be treated as corporations for tax purposes is complementary to the similar option granted certain corporations. It permits the business to elect the form of organization which is most suitable to its operations without being influenced by Federal income tax considerations.

At the time when section 1361 was originally enacted, many States did not permit organizations such as brokers to incorporate. Today, many States permit such organizations to incorporate.

We are advised that the subchapter R companies at one time may have numbered as many as 1,000, but that they are continually declining, and it is believed that there are fewer than 500 in existence today.

This provision is to become effective January 1, 1969. A partnership or proprietorship which had previously made the election under section 1361 will be permitted to become an actual corporation in a tax-free reorganization. After the date of enactment of this bill, no partnership or proprietorship, which is not already under the election of section 1361, will be permitted to elect the corporate tax treatment.

A Senate floor amendment provided that the one-shot capital gains provision is not to apply with respect to installment payments in the future where the sale or other disposition took place in the past. It is my understanding that the intent of this provision is to treat such installment payments in the same manner as other income in determining the applicability of the one-shot capital gains provision. The effect of this in applying the one-shot capital gains provision is to treat the installment payments in the same manner as if they were not capital gains.

Mr. BYRNES of Wisconsin. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

#### GENERAL LEAVE TO EXTEND

Mr. MILLS. Mr. Speaker, I ask unanimous consent, with respect to these matters now pending and which I shall call up, to revise and extend my remarks, and to include extraneous matter.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

#### TO AMEND THE TARIFF SCHEDULES OF THE UNITED STATES TO SUSPEND THE DUTY ON CERTAIN TROPICAL HARDWOODS

Mr. MILLS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 7723) to amend the Tariff Schedules of the United States to suspend the duty on certain tropical hardwoods, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 2, strike out lines 3 to 9, inclusive.

Page 3, line 1, strike out "SEC. 3." and insert: "SEC. 2."

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

Mr. BYRNES of Wisconsin. Mr. Speaker, reserving the right to object—and I do not intend to object—I do so in order that the Chairman of the Committee on Ways and Means, the gentleman from Arkansas [Mr. MILLS], might explain the Senate amendments. I would, however, say this: I am in full accord with the action taken by the Senate.

Mr. MILLS. Mr. Speaker, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from Arkansas.

Mr. MILLS. Mr. Speaker, the Senate amendment to this bill, H.R. 7723, relating to the suspension of duty on certain tropical hardwoods, simply struck section 2 from the bill and renumbered section 3. The effect of the amendment, as explained in the report of the Senate Finance Committee, is to eliminate that provision in the House bill which would have authorized the President to proclaim continued duty-free treatment for the tropical hardwoods affected by the bill beyond December 31, 1967, if he determined it was required to carry out a trade agreement entered into under the Trade Expansion Act. Under the bill, as amended, the duty on tropical hardwood would be suspended until January 1, 1968.

As further explained by the Senate Finance Committee report, the Trade Expansion Act permits the duty on many of the hardwoods affected by this bill to be eliminated immediately rather than by progressive reductions over a period of years, and this amendment does not cut back on that authority. Thus, in the event of a successful trade agreement permanent and continued elimination of the duty on most of these hardwoods could be assured.

There are some tropical hardwoods, however, notably mahogany, with respect to which the duty can be eliminated only over a period of years. If a trade agreement is entered into during the period of suspension of duty provided by this bill, it would have to provide for progressive elimination of the

duty unless Congress later acted to terminate it altogether.

Mr. BYRNES of Wisconsin. Mr. Speaker, I would add that the elimination of this provision is consistent with actions that the Committee on Ways and Means has subsequently taken on similar bills where a request has been made to delete this subsection.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

#### ALTERATION OF DUTIES ON IMPORTATION OF COPRA, PALM NUTS, AND PALM-NUT KERNELS, AND THE OILS CRUSHED THEREFROM

Mr. MILLS. Mr. Speaker, I ask unanimous consent to take from the Speaker's desk the bill (H.R. 6568) to amend the Tariff Act of 1930 to make permanent the existing temporary suspension of duty on copra, palm nuts, and palm-nut kernels, and the oils crushed therefrom, and for other purposes, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 5, strike out all after line 3 over to and including line 3 on page 7.

Page 7, after line 3, insert:

"SEC. 2. The amendments and repeals made by the first section of this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this Act."

Page 7, after line 3, insert:

"SEC. 3. (a) The limitation for the calendar year 1965 contained in headnote 2(b) for schedule 1, part 14, subpart B of the Tariff Schedules of the United States is hereby increased by 28,308,955 pounds.

"(b) Notwithstanding the provisions of section 514 of the Tariff Act of 1930 or any other provision of law, entries during 1965 of coconut oil, which is a Philippine article (within the meaning of the Tariff Schedules of the United States), shall be liquidated or reliquidated in accordance with the provisions of subsection (a), and appropriate refunds of duty shall be made, if request therefor is filed with the appropriate customs officer on or before the 120th day after the date of the enactment of this Act."

Page 7, after line 3, insert:

"SEC. 4. For purposes of applying paragraphs (4) and (5) of section 256 (19 U.S.C. 1886) and section 351(b) (19 U.S.C. 1981(b)) of the Trade Expansion Act of 1962 and section 350(c)(2)(A) of the Tariff Act of 1930 (19 U.S.C. 1351(c)(2)(A))—

"(1) The rates of duty in rate column numbered 1 of the Tariff Schedules of the United States as changed by this Act shall be treated as the rates of duty existing on July 1, 1962.

"(2) The rates of duty in rate column numbered 2 of such Schedules as changed



by this Act shall be treated as the rates of duty existing on July 1, 1934."

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

Mr. BYRNES of Wisconsin. Mr. Speaker, reserving the right to object—and I do so only that the chairman might give a brief explanation of the Senate changes, and shall appreciate it if the gentleman will do so at this time.

Mr. MILLS. Mr. Speaker, will the gentleman yield?

Mr. BYRNES of Wisconsin. I yield to the gentleman from Arkansas.

Mr. MILLS. Mr. Speaker, as passed by the House on October 18, 1965, the bill, H.R. 6568, would make permanent the duty-free treatment, or lower rates of duty, that are now temporarily applicable to copra, palm nuts and palm-nut kernels; the oils expressed therefrom; and specified fatty acids, salts, and other chemical products derived from such oils. The temporary duty-free treatment or lower rates of duty applicable to such products, which are presently to be in effect until July 1, 1966, reflect the suspension of the processing taxes that were applicable under former section 4511 of the Internal Revenue Code.

As passed by the House, the bill would also have enlarged the duty-free quota for Philippine coconut oil for the year 1965 from 120,000 to 160,000 tons. A like increase for the years 1966 and 1967 was also provided for, conditioned on the waiver by the Philippine Republic of its existing preference on copra.

Mr. Speaker, the Senate left intact and accepted without change the principal part of the House bill, that is, the provisions of section 1. This is the section that makes permanent the temporary duty-free treatment, or lower rates of duty, temporarily applicable to copra, palm nuts, and palm-nut kernels, the oils expressed therefrom and certain derivatives.

The Senate deleted section 2 of the House bill, the provisions relating to enlargement of the duty-free quota for Philippine coconut oil for the years 1965, 1966, and 1967. Section 3(a) of the Senate bill, however, does provide for an increase in the duty-free quota on such oil only for the year 1965 by 28,308,955 pounds. The Senate Committee on Finance advises that this limited increase in the quota is in the nature of equitable relief for importers to whom customs officers have erroneously released certain coconut oil as being within the duty-free quota, all such releases having occurred in the period May 17 to June 11, 1965, after the quota was actually filled on May 17, 1965.

Finally, Mr. Speaker, a Senate floor amendment added a new section 4 to the bill to provide that the rates of duty under this measure are the rates to be taken into account by the President in cutting or raising tariffs on these products.

Mr. Speaker, all the departments that have any interest whatever in this legislation have advised that they favor the bill as passed by the Senate. These include the Departments of State, Treasury, Commerce, Interior, Labor, and Agriculture. In view of the acceptance

without change of the principal provisions of the bill as passed by the House and the favorable reports from the departments with respect to the Senate amendments, I recommend that the House concur in the Senate amendments.

Mr. BYRNES of Wisconsin. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

#### FREE ENTRY OF STAINED GLASS FOR CONGREGATION EMANUEL, OF DENVER, COLO.

Mr. MILLS. I ask unanimous consent to take from the Speaker's table the bill, H.R. 4599, providing for the free entry of stained glass for the Congregation Emanuel, of Denver, Colo., with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, after line 9, insert:

"(b) The Secretary of the Treasury is authorized and directed to admit free of duty the chipped colored glass windows set in cement imported before the enactment of this Act for the use of Saint Ann's Church, Las Vegas, Nevada."

Page 1, line 10, strike out "(b)" and insert "(c)".

Page 2, line 2, after "(a)" insert "or (b)".

Amend the title so as to read: "An Act to provide for the free entry of certain stained glass for the Congregation Emanuel, Denver, Colorado, and of certain chipped colored glass windows for Saint Ann's Church, Las Vegas, Nevada."

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

Mr. BYRNES of Wisconsin. Mr. Speaker, reserving the right to object, I do so only in order that the gentleman from Arkansas, chairman of the committee, might give us a brief explanation of the bill and I yield to the gentleman for that purpose.

Mr. MILLS. Mr. Speaker, it will be recalled that H.R. 4599, as it passed the House, provided for the free entry of stained glass for the Congregation Emanuel of Denver, Colo. The situation involved was that chipped colored glass windows which were bonded or joined together by cement and which were valued at more than \$15 per square foot were imported by the Congregation Emanuel. The Congregation Emanuel claimed these items to be free of duty. However, the customs collector denied free entry.

In 1960 a U.S. Customs Court decision held that this type of glass was entitled to free entry under the then existing tariff laws. However, the Bureau of Customs refused to follow this decision on the contention that such colored glass set in cement, even though imported to be used in houses of worship, was not entitled to free entry. Such glass set

in lead was permitted free entry. In the new Tariff Schedules of the United States, which became effective on August 31, 1963, it was provided that such colored glass whether set in lead or cement was entitled to duty-free treatment. H.R. 4599, as it passed the House, provided such duty-free treatment because it was felt that in equity the importer was entitled to this treatment.

The Senate added an amendment involving the same type of glass which was imported for the use of St. Ann's Church, Las Vegas, Nev. The Senate amendment would also provide free entry for this glass. This glass, like the glass in the case of the Congregation Emanuel, was set in cement and, here again, the Bureau of Customs had refused to follow the Customs Court decision and the duty was assessed.

Mr. Speaker, in my opinion, the same considerations apply to the colored glass imported by St. Ann's Church, and I hope that the House will be agreeable to accepting the Senate amendment.

Mr. BYRNES of Wisconsin. Mr. Speaker, I think it might be added that the problem that confronted these two churches in 1963 and before that period has now been eliminated by basic changes in the tariff act.

Mr. MILLS. That is true.

Mr. BYRNES of Wisconsin. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Arkansas?

There was no objection.

The Senate amendments were concurred in.

A motion to reconsider was laid on the table.

#### LEGISLATIVE PROGRAM

Mr. ALBERT. Mr. Speaker, I ask unanimous consent that it may be in order on Wednesday, April 6, to consider the 1967 appropriation bill for the Treasury, Post Office, and executive offices.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

Mr. GERALD R. FORD. Mr. Speaker, reserving the right to object, I would like to ask the distinguished majority leader at this time, is it his intention to program this bill for Wednesday and the Interior Department appropriation bill on Tuesday?

Mr. ALBERT. That is the intention. The gentleman from Oklahoma who handles this bill is present and he has requested that it be scheduled for this Wednesday.

Mr. GERALD R. FORD. I am informed by the minority ranking member of the Committee on Appropriations, the gentleman from Ohio [Mr. Bow] that he has no objection to this proposal and is in accord with the scheduling of this bill for Wednesday.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Oklahoma?

There was no objection.









Public Law 89-388  
89th Congress, H. R. 6568  
April 13, 1966

## An Act

To amend the Tariff Act of 1930 to make permanent the existing temporary suspension of duty on copra, palm nuts, and palm-nut kernels, and the oils crushed therefrom, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the article description preceding item 175.09, and items 175.09 through 175.12, inclusive, of the Tariff Schedules of the United States (19 U.S.C. 1202) are amended to read as follows:

Copra, palm  
nuts, etc.  
Duty suspension.  
77A Stat. 72.

" Copra:		
175.09	Entered during the effective period of special proclamation issued pursuant to headnote 1 of this part, or entered after July 3, 1974.....	Free
175.10	Entered on or before July 3, 1974, when no such special proclamation is in effect.....	Free
175.11	If product of the Philippines or of the Trust Territory.....	1.25¢ per lb. 1.25¢ per lb.
175.12	If produced elsewhere than in the Philippines or the Trust Territory wholly of materials the growth or production thereof.....	Free Free
"		

(b) Such Schedules are amended by striking out items 175.27 and 175.30 and inserting in lieu thereof the following:

" 175.28 | Palm-nut kernels and palm nuts..... | Free | Free | "

(c) The article description preceding item 176.04, and items 176.04 through 176.13, inclusive, of such Schedules are amended to read as follows:

" Coconut oil:		
176.04	Entered during the effective period of special proclamation issued pursuant to headnote 1 of this part, or entered after July 3, 1974.....	1¢ per lb. 2¢ per lb.
	If product of the Philippines or of the Trust Territory:	
176.05	If Philippine article within tariff-rate quota (see headnote 2 of this subpart), or if Trust Territory article, entered on or before July 3, 1974.....	Free
176.06	Other.....	1¢ per lb.
	Entered on or before July 3, 1974, when no special proclamation issued pursuant to headnote 1 is in effect:	
176.07	Crude.....	3¢ per lb. 4¢ per lb.
	If product of the Philippines or of the Trust Territory:	
176.08	If Philippine article within tariff-rate quota (see headnote 2 of this subpart), or if Trust Territory article.....	Free
176.09	Other.....	1¢ per lb.
176.10	If produced elsewhere than in the Philippines or the Trust Territory wholly from materials the growth or production thereof.....	1¢ per lb. 2¢ per lb.
176.11	Other than crude.....	1¢ per lb. 2¢ per lb.
	If product of the Philippines or of the Trust Territory:	
176.12	If Philippine article within tariff-rate quota (see headnote 2 of this subpart), or if Trust Territory article.....	Free
176.13	Other.....	1¢ per lb.
"		

80 STAT. 109.

80 STAT. 110.

77A Stat. 203.

(d) Such Schedules are amended by striking out the article description preceding item 176.32 and all that follows through item 176.36 and inserting in lieu thereof the following:

" Palm-kernel oil:		
176.32	Rendered unfit for use as food.....	Free
176.33	Other.....	0.5¢ per lb. 1¢ per lb.
176.34	Palm oil.....	Free Free
"		

(e) (1) Items 465.05 and 465.15 of such Schedules are amended—

(A) by striking out "4.5¢ per lb." each place it appears and inserting in lieu thereof "3¢ per lb."; and

(B) by striking out "7.5¢ per lb." each place it appears and inserting in lieu thereof "6¢ per lb.".

(2) Items 465.25, 465.35, 465.45, 465.65, 490.24, 490.48, and 490.73 of such Schedules are amended by striking out "3¢ per lb. +" each place it appears.

77A Stat. 204.  
19 USC 1202.

(3) Items 465.55 and 490.92 of such Schedules are amended by striking out "1.5¢ per lb. +" each place it appears.

(f)(1) Headnote 3 for schedule 1, part 14 of such Schedules is amended by striking out " , palm-kernel nuts and palm nuts, and a 3-cent part of each of the rates of duty in subpart B on coconut oil, palm-kernel oil and palm oil".

(2) Headnote 2 for schedule 4, part 8, subpart A of such Schedules is repealed.

(3) Schedule 4, part 13, subpart A of such Schedules is amended by striking out "Subpart A headnote:" and by striking out headnote 1.

(g) The article description preceding item 903.30 and all that follows through item 903.65, the article descriptions preceding item 907.70 and all that follows through item 907.77, and the article description preceding item 907.85 and all that follows through item 907.88 of such Schedules are repealed.

Effective date.

SEC. 2. The amendments and repeals made by the first section of this Act shall apply with respect to articles entered, or withdrawn from warehouse, for consumption on or after the date of the enactment of this Act.

SEC. 3. (a) The limitation for the calendar year 1965 contained in headnote 2(b) for schedule 1, part 14, subpart B of the Tariff Schedules of the United States is hereby increased by 28,308,955 pounds.

(b) Notwithstanding the provisions of section 514 of the Tariff Act of 1930 or any other provision of law, entries during 1965 of coconut oil, which is a Philippine article (within the meaning of the Tariff Schedules of the United States), shall be liquidated or reliquidated in accordance with the provisions of subsection (a), and appropriate refunds of duty shall be made, if request therefor is filed with the appropriate customs officer on or before the 120th day after the date of the enactment of this Act.

46 Stat. 734.  
19 USC 1514.

SEC. 4. For purposes of applying paragraphs (4) and (5) of section 256 (19 U.S.C. 1886) and section 351(b) (19 U.S.C. 1981(b)) of the Trade Expansion Act of 1962 and section 350(c) (2) (A) of the Tariff Act of 1930 (19 U.S.C. 1351(c) (2) (A))—

Status of amend-  
ments.

76 Stat. 881,899.  
69 Stat. 165.

(1) The rates of duty in rate column numbered 1 of the Tariff Schedules of the United States as changed by this Act shall be treated as the rates of duty existing on July 1, 1962.

(2) The rates of duty in rate column numbered 2 of such Schedules as changed by this Act shall be treated as the rates of duty existing on July 1, 1934.

Approved April 13, 1966, 6:10 p.m.

#### LEGISLATIVE HISTORY:

HOUSE REPORT No. 1012 (Comm. on Ways & Means).

SENATE REPORT No. 1009 (Comm. on Finance).

#### CONGRESSIONAL RECORD:

Vol. 111 (1965): Oct. 18, considered and passed House.

Vol. 112 (1966): Mar. 2, considered and passed Senate,  
amended.

Mar. 30, House concurred in Senate amendments.